

CORRECT on
all occasions

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CHINA MAIL

Today's weather: Moderate Easterly winds, fresh in exposed
places. Cloudy with drizzle patches. Coastal fog.

No. 35144

FRIDAY, MARCH 7, 1952.

Price 20 Cents

COMMENT OF
THE DAY

Socialist "Rebels"

QUOTE the most significant feature of the Commons debate and voting on the Government's defence plan was the open revolt staged by Mr Aneurin Bevan and his followers against the official Labour Party directive which called for solid backing of the Socialist Opposition non-confidence amendment. It was the most emphatic challenge to Mr Attlee's leadership since last year's General Election. Moreover the Bevanites persuaded nearly a fifth of the Socialist MPs to follow their lead and to abstain from voting. What was originally a rift in the Parliamentary Labour Party has become an open and widening breach. The British Labour Party may very well be split in two in consequence of Wednesday's developments. Mr Attlee and his lieutenants cannot ignore this threat to their authority; they will, undoubtedly demand disciplinary action against the 62 "rebels". But even if they secure majority support from the Parliamentary Labour Party, they will continue to be confronted by the menace of the Bevanite splinter group who, particularly in parliamentary debates, can cause the official Socialist Opposition considerable embarrassment.

MR Attlee can possibly be held responsible in part for the defiance which a fifth of his political colleagues displayed this week. His amendment to the Government's defence motion was not brilliantly conceived. To suggest seriously that Mr Churchill was incapable of carrying out a defence scheme was somewhat fatuous. Even Mr Richard Crossman, principal spokesman for the "rebels", and therefore the most critical opponent of the Government's proposals, declared, "Of all the things I would most hesitate to challenge Churchill, it would be on his competence to carry out a defence programme." It was, in fact, the terms of the Opposition amendment which provided the Bevanites with their opportunity for a test of strength with the main Parliamentary Labour Party, and it was conceivably the logic of Mr Crossman's criticism of the amendment which enabled him to obtain over 60 supporters. Mr Attlee appears to have placed himself in an unhappy position. His party leadership and the solidity of the Socialist Opposition are both in jeopardy. It may well be that this week's events will lead to the virtual disappearance of a cohesive Opposition in the House of Commons during the existence of the present Government.

HK'S POLICY OF PROGRESS ENDORSED

Comprehensive Review Of The Far East Situation Given By Sir Arthur Morse

HONGKONG BANK ANNUAL MEETING

SIR ARTHUR MORSE THIS MORNING EXPRESSED FULL ENDORSEMENT OF THE POLICY OF ADVANCEMENT WHICH GOVERNMENT, UNDER THE GUIDANCE OF THE GOVERNOR, SIR ALEXANDER GRANTHAM, IS FOLLOWING IN HONGKONG. HE TOLD SHAREHOLDERS AT THE ANNUAL MEETING OF THE HONGKONG AND SHANGHAI BANKING CORPORATION THAT IN VIEW OF THE LONG LIST OF IMPORTANT PUBLIC WORKS ON THE FINANCIAL PROGRAMME THERE WAS NO ROOM FOR COMPLACENCY ABOUT THE FINANCIAL POSITION OF THE COLONY.

In a comprehensive review of economic, social and financial conditions in the Far East, Southeast Asia, and India, Sir Arthur Morse made the following points:

FAR EAST: Even if political developments in the East get no worse, it is difficult to see how stability can be expected while there is inflationary spending and incompetence on the part of Governments, and a sad lack of law and order in many areas.

HONGKONG: The UN embargo and United States restrictions have created difficulties which "are just another instance of the pernicious injustices brought about by controls, restrictions and embargoes, however justifiable they may seem to be."

CHINA: I do not propose to attempt to penetrate the curtain which hangs over China—whether it is bamboo or iron . . . I will however say this. What is at stake in all this turmoil and confusion is something that goes far deeper than party dogma or political theories; it depends upon the honour, good faith and fundamental character of the Chinese people.

ANGLO-US RELATIONS: In political matters there are divergencies, as was honestly recognised by President Truman and Mr Churchill in their joint statement issued at Washington last January, and as we in Hongkong know so well. But divergencies can be straightened out if realistic attempts to do so are made by both parties on all levels. I sincerely hope that this will be done in the near future.

SIR ARTHUR'S SPEECH
Addressing shareholders, Sir Arthur Morse said:

We meet here today, still under the shadow of the loss suffered by the Commonwealth and Empire just four weeks yesterday, when the death occurred of our beloved King George VI. In his life His Majesty symbolised some of those characteristics which as a nation we have long considered important—a sense of duty, service for others and the family life. Our sympathy goes out to the members of the Royal Family and especially to the three generations of Queens who hold a very special place in our hearts. We greet the accession of Queen Elizabeth II with pride, hope and trust. No successor to the throne could be so welcome. She is the ideal Queen. Long may she reign over us.

Turning to the Accounts before you, the Net Profit for the year, after making transfers to reserves for contingencies amounts to HK\$17,283,671 which slightly exceeds the corresponding figure for the previous year. Including the balance of profit brought forward from last year, the total available for distribution amounts to HK\$23,992,895. Out of this total it is recommended that, as in previous years, a sum of HK\$3,000,000 be written off Bank Premises and after allowing for this amount, the Interim Dividend of £2 per share and the Final Dividend of £3 per share which is now proposed, there remains a balance

of HK\$8,075,332 to be carried forward to next year.

ALL-TIME RECORD

You will see from the Balance Sheet that there has again been a substantial increase in the figures and that the total now exceeds £294 millions, an increase of £38½ millions over last year's total and an all-time record in the history of the Bank.

The increase of £38½ millions is made up of a rise of £36 millions in Current and other Accounts and £2½ millions in Acceptances on behalf of customers. Current and other Accounts which now amount to almost £190 millions continue to reflect the steady expansion in our business which has been in evidence during the past years.

With regard to our assets, Cash has decreased by some £4½ millions, but you will notice there has been a substantial increase of over £32 millions in Money at Call resulting in a net increase in our liquid assets of approximately £28 millions. Bills Receivable now amount to nearly £51½ millions, the increase of £12½ millions being due partly to a rise in our holding of United States Government Treasury Bills in New York and partly to the greater extent in which the facilities of the Bank have been utilised in financing trade during the year under review. In this connection it is interesting to note that over 64% of our

liabilities to our customers is represented by Cash, Money at Call and Bills Receivable.

INTERNAL RESERVES

Investments at £20 millions show a decrease of just over £6½ millions. This decrease arises mainly as a result of the redemption of certain of our short-dated securities but is also due to some extent to the fall in the market prices of our investments. In common with other financial institutions our holding of British Government securities suffered a severe decline in value during the closing months of the year. In order to provide for this depreciation a sum has been allocated from our reserves for contingencies, which is an illustration of the necessity to which I referred in my remarks last year of continuing to build up our internal reserves.

One of the most striking features of the post-war years has been the way in which through international agencies or otherwise the countries blessed with a relatively high standard of living have made efforts to bring aid to the less developed territories throughout the world.

The United Nations, the United States and the British Commonwealth have been prominent in such activities.

COLOMBO PLAN

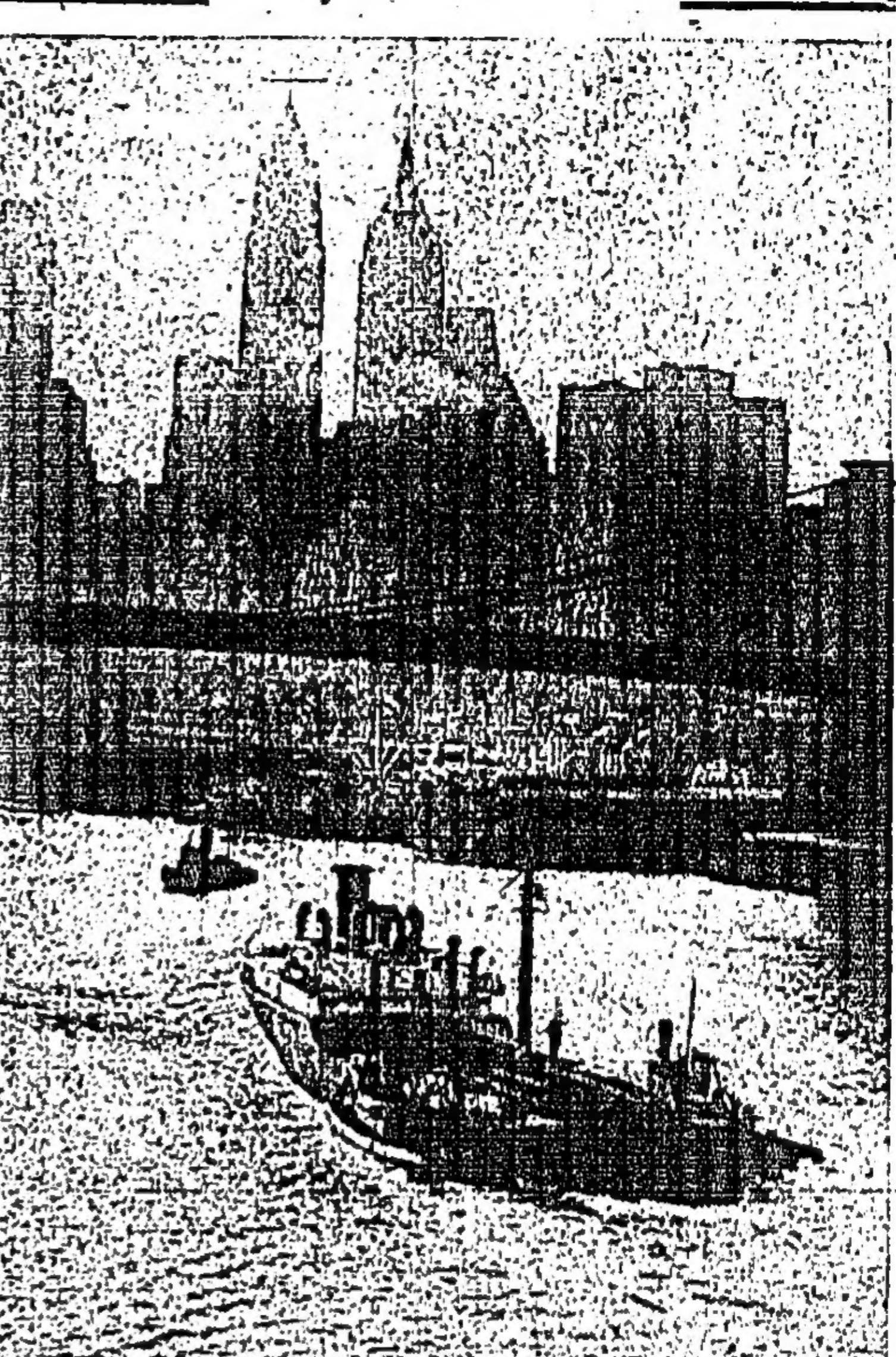
I made a reference in my last statement to the Colombo Plan which was initiated at the meeting in Colombo of the Foreign Ministers of the Commonwealth countries over two years ago. In July last the main plan of development was launched but in January 1951 a Council of Technical Cooperation had already been set up in Colombo as an integral part of the whole idea.

Progress has been made with this particular scheme which provides technical experts and technical training for Asian personnel to carry through the projects adopted by the several countries whose development plans have been set forth in the Colombo Plan report.

The original report which was published in November 1950 no longer accurately describes the scheme of things as now existent. The Commonwealth Consultative Committee has become an International Committee in which the United States are taking part, and included in the general scope of the "Plan" are the extensive measures undertaken by the United States Government in the same area, such as some of the "Point Four" projects, certain parts of ECA aid (now Mutual Security Administration) and various International Bank and Export-Import Bank loans wherever any of these touch the planned programmes of the participating countries.

It is significant and important that the present emphasis in the whole area should be on agricultural development or plans which will in the main benefit the rural economy of these areas. I heartily welcome this trend of events. The final aim and the leading solution of the problem is one which will make sterling freely convertible into all the main currencies of the world and will drive on to the position for which we all so greatly hope, when restrictions and controls can be cast to the winds. I myself am convinced

Only The Stern Left



With ten of the original crew aboard, the stern of the Fort Mercer, broken in half by a gale, is towed down the East River towards Brooklyn Bridge, New York.—London Express.

Truman Attacks His Critics In Broadcast

Washington, Mar. 6. President Truman took his fight for a \$7,900 million foreign aid programme to the American people tonight in a nation-wide broadcast strongly attacking critics who want to cut foreign aid funds.

The appeal to the nation followed by 10 hours his message asking Congress to approve the full expenditure of \$7,900 million without cut.

During the year ending June, 1953, the programme would provide military equipment, raw materials and economic assistance to America's allies throughout the world.

In his radio speech the President emphasised that the programme was not designed to make the United States people "carry the world" on their shoulders.

He said, "It is a programme to make it possible for the world to stand on its own feet."

President Truman said that the action taken by Congress on his request might make the difference between life and death for many of his listeners.

BEST INSURANCE

President Truman said, "The best insurance we can take out against another world war is to stick together with our friends. Together we cannot be conquered. The Soviet Union cannot achieve its dream of world conquest unless it picks off the free nations one by one. The Soviet policy is the old one: divide and conquer. Our policy is an old one too: in unity there is strength."

"There are still some people in this country who are so blind that they will not see this. They try to tell us that we ought to confine ourselves to building up our own defences here at home so that we can retreat behind them if trouble comes. That is the way to be safe they say and save money at the same time."

"Well, they are wrong," on both counts. They are not presenting a low-cost plan for national security. They are trying to sell a high-cost plan for national insecurity. And I do not think that the people of this country are going to buy it."

"I challenge anyone to tell me how this country is going to defend itself if we abandon our allies and hole up on this continent. It just cannot be done. And if we tried to do it we would

Pinay Saved

By
27 Gaullists

REBEL AGAINST DIRECTIVE

Paris, Mar. 6. Twenty-seven Gaullists pushed M. Antoine Pinay into power as the French "Save the Franc" Prime Minister tonight and gave France her biggest swing to the Right since the liberation in 1944.

The 60-year-old tanner owner had gone to the Assembly to seek investiture as Prime Minister with the Socialists and Gaullists planning to vote against him and with the Gaullists intending to abstain.

These are the strongest parties but in a surprise development 27 Gaullists turned rebel and against Party directives voted for M. Pinay.

He thus won 324 votes, 11 more than the absolute 313 required for investiture in a House of 625 members.

Against him were 260.

SURPRISED

It was the first time that a Premier had been elected since the war without Socialist backing.

Even M. Pinay was surprised. "I said afterwards, 'I thought I would have 208 votes which would have been honourable and I expected to have a rest and then go fishing tomorrow.'

M. Pinay proposed to the Assembly two proposals to save the franc.

1. An amnesty to tax dodgers provided they owned up.

2. Stringent tax control measures involving the withdrawal of business licences for future tax offenders.

Indo-China and foreign policy generally M. Pinay said that he would carry on along the same lines as the outgoing government.—Reuter.

Money-Lending Probe

Singapore, Mar. 6. The Singapore government is probing money-lending in the Colony following complaints that borrowers are being fleeced for as much as 200 per cent interest.

It plans amendments to the Moneylenders Ordinance, which allows an interest of only 48 per cent.

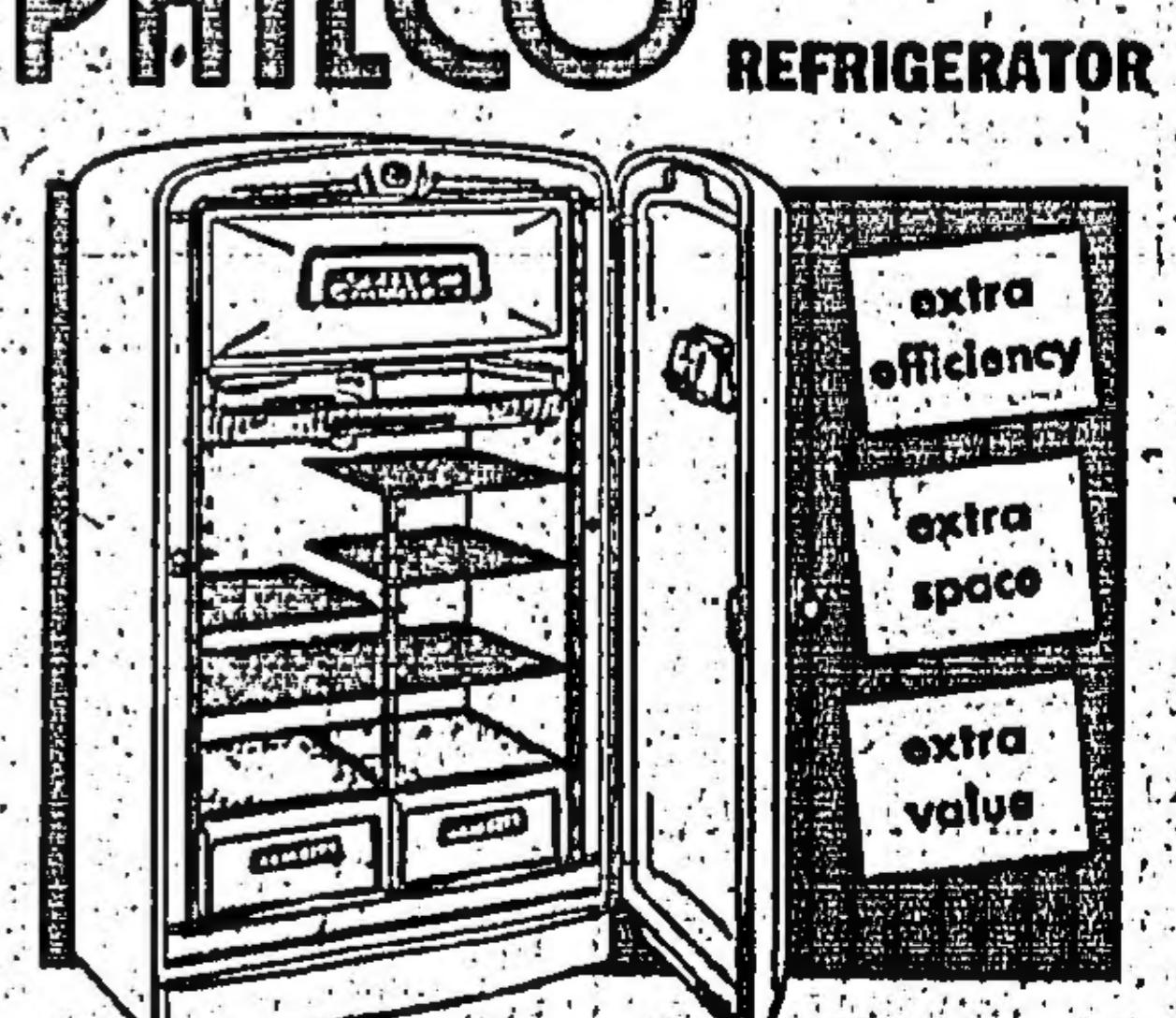
Borrowers complain that lenders, usually Sikhs, make them sign promissory notes for three times the sum borrowed to avoid being prosecuted for demanding "illegal" interest.—Associated Press.

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- Adjustable divided shelves
- Butter storage compartment on the door

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Landslide Traps 12-15 People

Tokyo, Mar. 6. Rescue workers were tonight digging for 12 to 15 people in a landslide of mud and rocks which buried four houses and smashed the entrance to a coal mine after Tuesday's Japanese earthquake.

Families were buried in the homes and miners in a tunnel were sealed in near the ruined city of Kushiro. Conflicting reports left it unclear exactly how many people were trapped.

One story said that six people escaped unharmed. Another said that four miners were dug out alive from a cave under the houses, but this was later denied.

Sixteen or eight bodies were reported to have been found.

Communications were still chaotic but details of the quake and tidal wave disaster were slowly coming in today from isolated parts of Hokkaido, the northernmost Japanese island. A hill 40 feet high is said to have sprung up in a meadow in the village of Kinkaido.

Casualties officially confirmed of 311, including 22 killed and four missing, were reported to the Upper House of the Japanese Parliament today. But the Hokkaido Government Office announced 24 killed and six missing, while unofficial sources have given much higher estimates.

The Welfare Minister, Mr. Moscow, Mar. 6. The Finance Minister, Arsen Zverev, tonight introduced the biggest budget in Russia's history, including US\$2,845,000,000 in military appropriations.

The budget introduced in the Supreme Soviet, or Parliament, calls for total expenditures this year of 476,000,000,000 rubles or US\$119,225,000,000.

Of this defence appropriations total 103,500,000,000 rubles (23.0 per cent for military pur-

poses) compared to 10 per cent in 1950 and 21.3 in 1951.

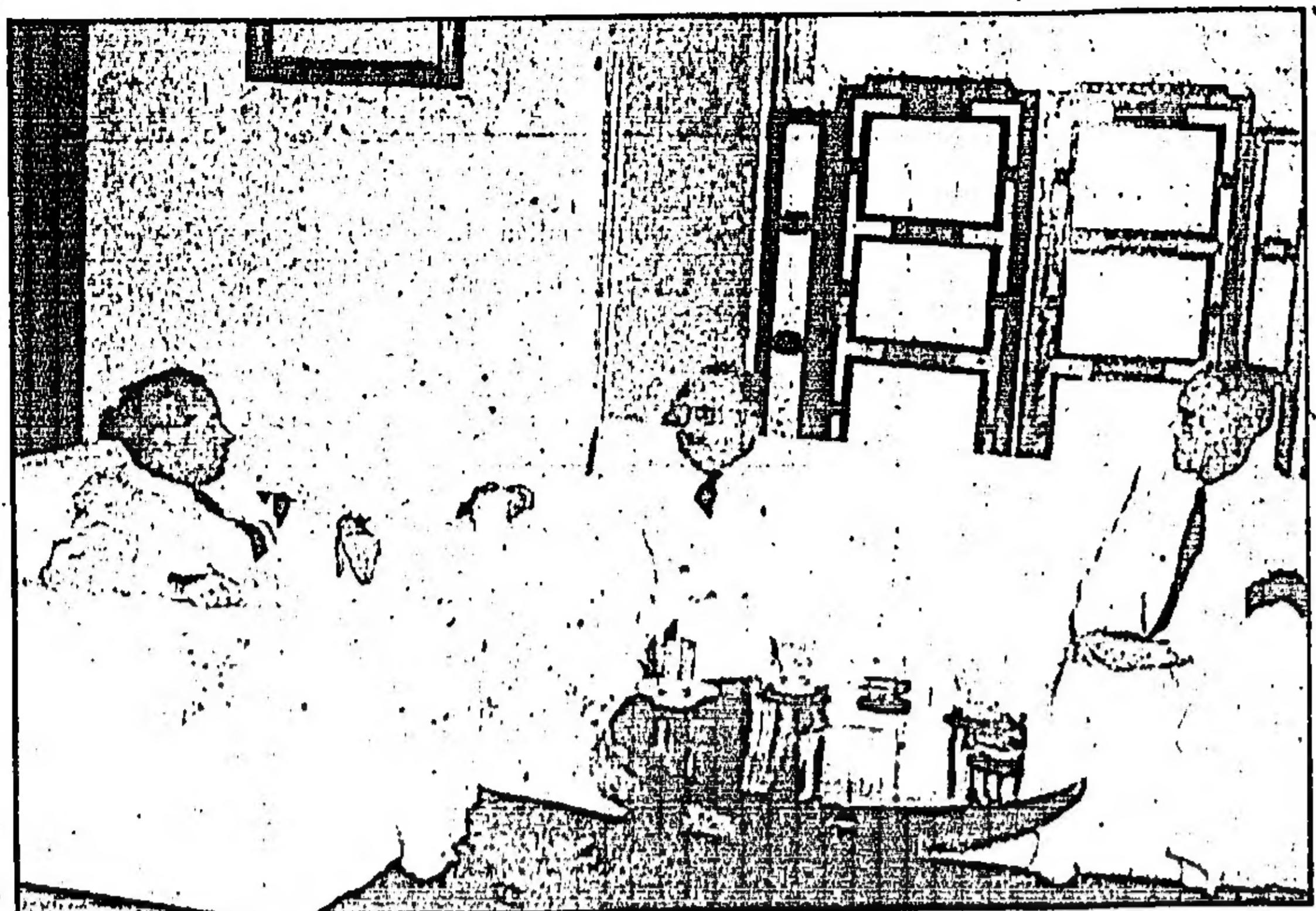
The Supreme Soviet, the world's most colourful Parliament, met in the Great Hall of the Kremlin. Members represented about 50 nationalities in the Soviet Union extending from the Baltic Sea to the Pacific Ocean.

Zverev said Russia's industrial output last year increased 10 per cent over 1950 and was more than double that of 1949.

United Press.

CONFERENCE ON
SOUTH ASIA

Secret Services Called Useless Farce



Taken during recent talks on the situation in South Asia this picture shows (from left to right) Mr. Malcolm Macdonald, British Commissioner-General in Southeast Asia, M. Jean Letourneau, French Minister for the Associated States of Indo-China, and Mr. Hubert Graves, British Minister in Saigon. — France-Presse.

Girl's Murderer
To Be Hanged

London, Mar. 6. The execution of Tahir Ali, 38-year-old Pakistani scoundrel sentenced to death for murder, has been fixed to take place in Durham Gaol on Friday, March 21. Tahir Ali was found guilty at Durham Assizes last month of murdering 25-year-old Evelyn McDonald. — France-Presse.

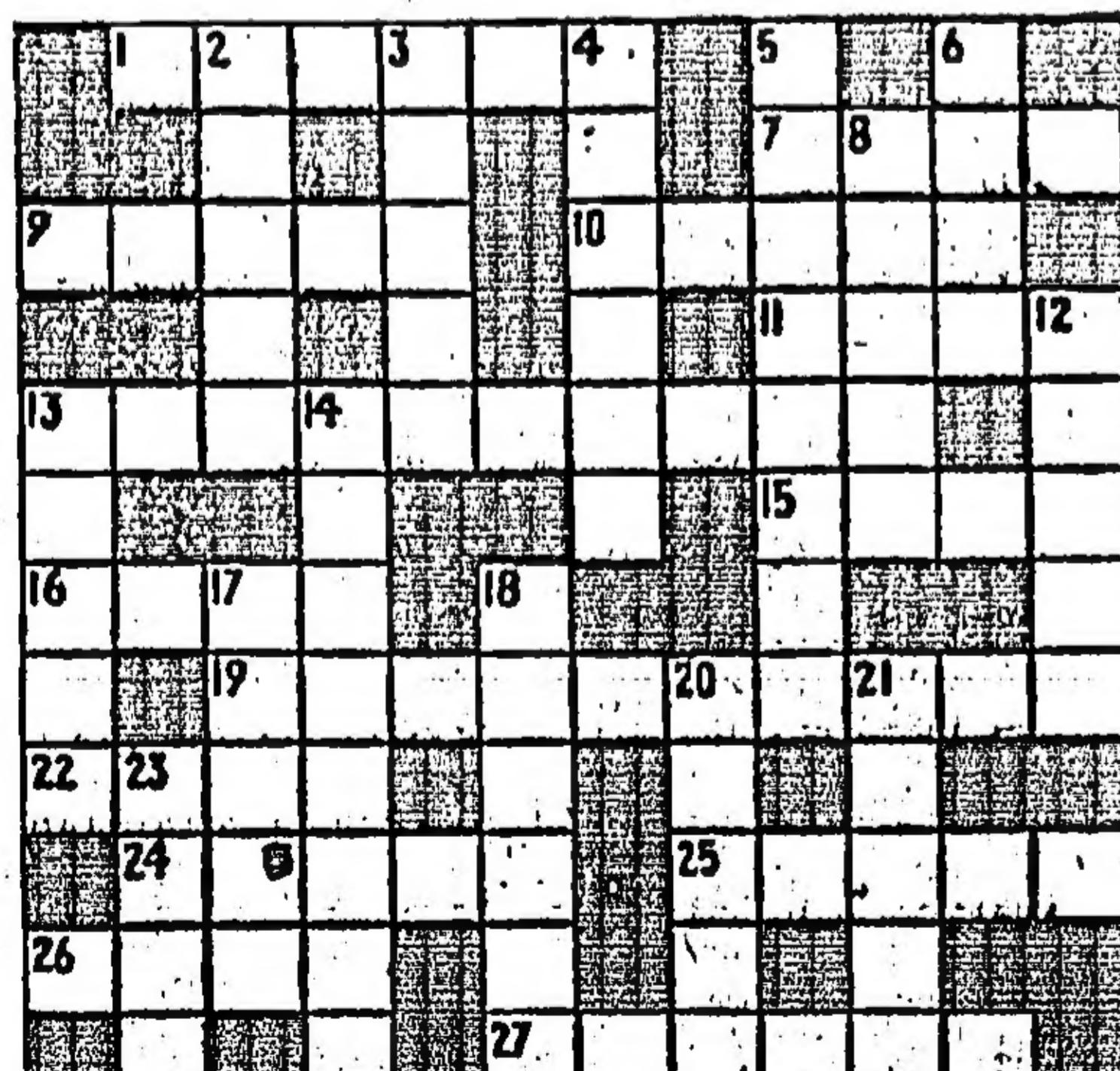
RUMANIA'S
NEW PURGE

Bucharest, Mar. 6. It was officially announced this morning that the President of the Rumanian State Bank, Aurel Vlajoi, and the Assistant Finance Minister, Alexandru Iacob, have been dismissed for "grave deviations from the laws and Government's decisions" in the period preceding the January military reforms. Another Assistant Finance Minister, Vasile Medoran, has been relieved of his functions as incapable. The announcement said that the deviations had damaged the interests of the State and the working people. The new appointees are, respectively, Anton Molscau, Radu Manescu and Constantine Niculescu. — United Press.

Turns Down Job

The Hague, Mar. 6. The Foreign Minister, Dr. Dirk Stikker, today confirmed to the United Press that he had turned down the NATO secretariatship but he declined to give the reason. — United Press.

A British Crossword Puzzle



ACROSS

- 1 Ban (6).
- 2 Bridle strap (4).
- 3 Drug (5).
- 4 Breadmaker (8).
- 5 Revert from (6).
- 6 Karp for sunrise (8).
- 7 Evil (4).
- 8 Measures to avoid (5).
- 9 Angler's basket (6).
- 10 Hedges down (6).
- 11 Vilemire master (4).
- 12 Small hills (6).
- 13 Smooth (6).
- 14 Tax (4).
- 15 Tiny (6).
- 16 A report by two Tunisian Ministers, issued to the Press tonight, alleges excesses by French troops in security operations at Cap Bon last January.
- 17 The Ministers, Dr. Materi, Minister of State, and Dr. Ben Sausa, Minister of Health, alleged that four babies were killed, 15 Tunisians executed, several women violated and houses and mosques pillaged and profaned.
- 18 Collective fines of up to 100,000 francs were levied on three villages.
- 19 The two Ministers toured the area to investigate complaints made particularly against a battalion of the Foreign Legion consisting largely of Germans.
- 20 Arable (4).
- 21 Cause (4).
- 22 Large (6).
- 23 Token (6).
- 24 Edict (7).
- 25 Small (6).
- 26 Unusual (5).
- 27 Tiny plate (4).

DOWN

- 1 Drug (5).
- 2 Bridle strap (4).
- 3 Breadmaker (8).
- 4 Revert from (6).
- 5 Karp for sunrise (8).
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- 22 Tiny plate (4).
- 23 Token (6).
- 24 Edict (7).
- 25 Small (6).
- 26 Unusual (5).
- 27 Tiny (6).

YESTERDAY'S CROSSWORD: Across: 1. Arable, 4. Cause, 7. Median, 8. Speed, 10. Neap, 12. Migrat., 13. Token, 16. Edict, 17. Segr., 19. Atom., 20. Havers., 21. Tiss., 23. Stoal., 24. Caruso, 25. Fresh., 26. Hedges. Down: 1. Admonish., 2. Animates., 3. Lism., 5. Ap-
parent., 6. Sheet., 9. Sing., 11. Portray., 14. Adulat., 14. Enormous., 18. Fader., 22. Dako.

The Legion
Accused

Tunis, Mar. 6. A report by two Tunisian Ministers, issued to the Press tonight, alleges excesses by French troops in security operations at Cap Bon last January.

The Ministers, Dr. Materi, Minister of State, and Dr. Ben Sausa, Minister of Health, alleged that four babies were killed, 15 Tunisians executed, several women violated and houses and mosques pillaged and profaned.

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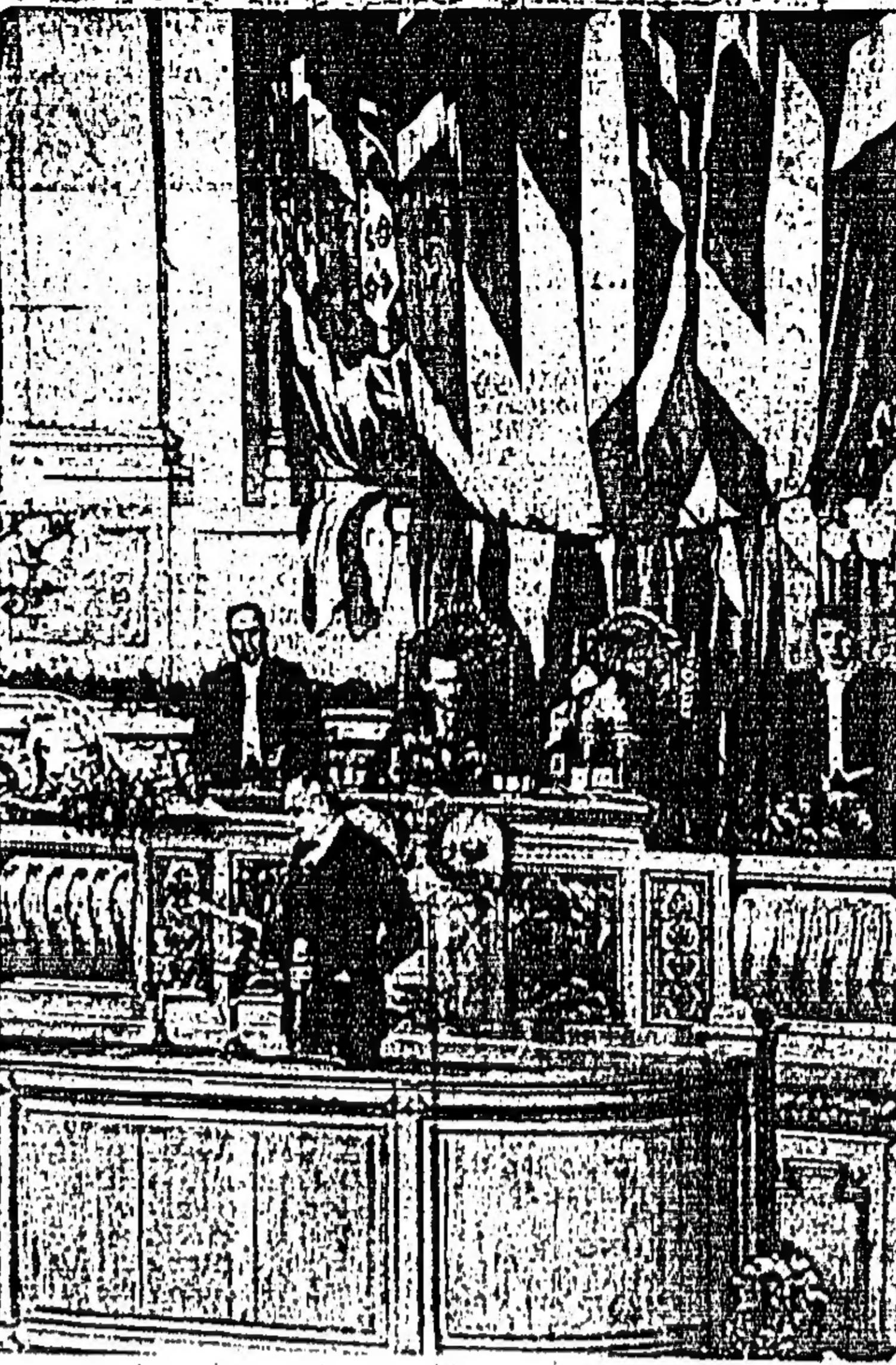
The two Ministers toured the area to investigate complaints made particularly against a battalion of the Foreign Legion consisting largely of Germans.

In Korea, Crapouillot continued, General Douglas MacArthur, "In spite of a formidable apparatus of agents and mountains of dollars, was so ill-informed in November, 1950 that he promised the troops they would be home for Christmas."

A famous British Intelligence Service man, Bruce Lockhart, in "Memoirs of a British Agent," said that during the Russian Revolution, the British Foreign Office was convinced that Trotsky was a German agent in disguise and Lenin was in Germany's pay.

Since no one knows for certain what Russia plans to do, and since Russia is just as likely to be envious about Western potentialities, Crapouillot concludes, "would be a reasonable guess not to do itself honour and at the same time effect an economy by ridding itself of the whole rabble of stupid, vulgar and treacherous agents lurking on State funds without appreciable results and with risks that are certainly imminent."

The Lisbon Conference



The North Atlantic Treaty Organisation Council recently held its ninth session in the Portuguese Parliament building in Lisbon. Here Mr. Dean Acheson, U.S. Secretary of State, is shown addressing the meeting. — Express Service.

Textile Shortage
Being Experienced
In Malaya Union

Singapore, Mar. 7. Textile dealers are turning their eyes on Japan as the result of the recent Indian decision to ban textile exports to Malaya, which cuts nearly 75 per cent of this area's supplies.

Indian textile merchants said that there is already a shortage of textiles, particularly striped cotton and grey and white shirting.

Some of them have asked the Indian Chamber of Commerce to approach the Indian Government to revoke the decision or relax it somewhat to allow some supplies to come to Malaya.

The Indian Trade Commissioner in Singapore, Mr. Jogenra Singh, said, however: "Until our commitments under bilateral agreements have been fulfilled we cannot agree to any more exports to Malaya."

"The overall export quota for January to June this year is 250,000 yards. After meeting our agreements we shall only have a small quota left for other destinations."

It is, therefore, impossible to say at this stage to what extent textile exports will again be allowed to Malaya, with whom we have no agreement."

HEAVY LOSSES
India for the last two years has been Malaya's largest supplier of textiles. They represented nearly 75 per cent of the total imports of the country.

One importer said that he had suffered very heavy losses on Indian textiles because of the prevailing high prices. Japanese textiles, he said, are considerably cheaper and he, like many other importers affected by the Indian material, will try to import Japanese material.

Another dealer, however, felt that Japanese quotations are unstable and consequently the risk of importing Japanese textiles is greater.

All agree, however, that the Indian ban on exports to Malaya will benefit Japan, the next good source of supplies. — United Press.

Holiday For

President

Washington, Mar. 6. President Truman will probably leave by air for Key West, Florida, for a three-weeks' holiday.

The President had postponed his trip until the health of his 80-year-old mother-in-law, Mrs. David Wallace, who lives with the President and Mrs. Truman at Blair House, had sufficiently improved.

President Truman is expected to return here on March 29 for the annual dinner of the Democratic Party in honour of former Presidents Jefferson and Jackson.

The police, today, warned people not to fall easy prey to swindlers and added that the month of March had the highest number of cases every year, according to their experience.

POLICE NAB
SWINDLER

Tokyo, Mar. 6. The Tokyo police today arrested a man for swindling about 60 million yen from more than 600 persons.

The swindler, Takechiro Takegawa, in extensive advertisements promised investors 10 per cent interest. Investors said that he failed to refund the principal and the interest.

The police, today, warned people not to fall easy prey to swindlers and added that the month of March had the highest number of cases every year, according to their experience.

SHOWING

TO-DAY

THE END

SHOWING

TO-DAY

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ACTION ON THE KOREAN COAST
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ADDED: GAUMONT BRITISH NEWS:

NATO Meeting in Lisbon — Winter Olympics —
Arsenal v. Leyton F.A. Cup Game, etc.

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BY BERNARD WICKSTEED

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Comprehensive Review Of Far East Situation At Today's Bank Meeting

(Continued from Page 1)

aspect of planning policy should have turned towards agriculture and food, seeing that more than half of the population of the world get barely half of the calories they need. Thus the Colombo Plan has become an aggregation of various aid projects for the whole of South and South-East Asia. The launching of the original scheme served a valuable purpose in calling attention to the urgent needs of the underdeveloped countries in the area, which, if neglected, would inevitably result in political and revolutionary discontent or revolts against the established authorities. I have referred in some detail to this matter because the plans and projects now being pressed forward are especially important both economically and politically to the areas where our Bank operates. Moreover in England last year at the first meeting held to welcome the representatives of British Overseas Legislatures I noticed that much stress was laid on the Colombo Plan by the Secretary of State for the Colonies in his opening speech on that occasion.

HONGKONG

I feel sure that I speak for all who have at heart the welfare of Hongkong when I say that it was with great pleasure that we heard that the term of office of His Excellency, The Governor, Sir Alexander Grantham, had been extended until July 1954. Sir Alexander is not only popular in all circles but he is also honoured and respected for the wise and understanding way in which he administers the affairs of this Colony. We are indeed fortunate that he is to stay with us. But we suffered a blow last December when we heard that our extremely able Colonial Secretary, Mr. J. F. Nicoll, was to leave Hongkong on his promotion to the important post of Governor of Singapore. Hongkong's loss is Singapore's gain. I have no doubt at all that Mr. Nicoll will very quickly gain the confidence of all sections of the community in his new and onerous appointment as he did so quickly here in Hongkong.

Mr Oliver Lyttelton's visit last December was very welcome to all of us and to the whole Colony, especially as I believe it was the first visit paid to Hongkong by a Secretary of State for the Colonies. It is good to know that the Colonial Office is now in charge of an official with recent personal knowledge of conditions in Hongkong. We can feel that our problems are in safe hands.

I would like however to add that on recent occasions in London when I had conversations with Mr. Griffiths, the former Colonial Secretary, I was much impressed with his keen grasp and wide knowledge of the problems of the Colony. Mr. Lyttelton took the opportunity of his visit to make a particularly welcome declaration which I will quote in full record. He said: "His Majesty's Government are resolved to maintain their position in Hongkong and will discharge to the utmost of their ability their responsibilities towards the Colony as regards both defence and the welfare of its population."

ENDORSES POLICY

Every year at this time prior to the introduction of the Appropriations Bill, the Governor makes a speech outlining some of the major developments in the Colony. Invariably a great deal of interesting and important information is provided to the public. Again this year, on March 5, His Excellency's speech was packed with information about Hongkong which should obtain the widest possible circulation. The Governor has always urged that we should press on as much as circumstances permit with those things which we know Hongkong needs: hospitals, schools, reservoirs, roads, the City Hall and, perhaps most important of all, housing for the less privileged members of the community. I fully endorse this policy of advancement.

The Budget of the Colony was presented to the Legislative Council on the same day in a very lucid way by our new Financial Secretary, Mr. A. G. Clarke. Naturally there has not yet been time to make a careful study of his figures and I will merely say that it is satisfactory that revenue has remained buoyant throughout the past year and that we have an increased revenue balance against future contingencies.

However, the long list of important public works which are on the financial programme makes us realise that we cannot be complacent about the financial position of the Colony. Many of these works are urgent; if we want to see Hongkong develop on the right lines. It is quite obvious that it would be out of the question to attempt to float a loan at the present time, so we must face the fact that money must

come out of revenue. But as these works get under way their annual cost will grow.

I am not in favour of drawing

on our general revenue balance as it may well be needed in the future. The implication is that if revenue falls off we may face additional taxation to meet these important charges on revenue.

TRADE FIGURES

This time last year we hardly expected that the immense trade figures for 1950 could be excelled by those for 1951. You will remember that the 1950 figures for exports were no less than 80% higher than those for 1949, while imports were 85% higher. Yet in fact the 1951 figures show exports up a further 10% and imports nearly 20%.

The peak was reached, however, by the end of March, the record month, when imports and exports together totalled HK\$1,081 millions for the one month, or about the same as for the whole of a normal pre-war year such as 1938.

By December 1951 the month's

figures were down to HK\$737 millions, though here we saw some reaction from the low spot of the year which was HK\$591 millions in September, but even this was well above the monthly averages in 1947, 1948 and 1949 and not far short of the monthly average in 1950.

The effect of the embargo on exports to China imposed at the instance of the United Nations which comprehensively covered "items useful in the production of arms, ammunition and implements of war" and which came into force in June, can be seen in the fact that Hongkong's exports to China (excluding Formosa) were valued about HK\$1.51 millions from January to the end of June but from July to the end of the year they amounted to only HK\$452 millions. Imports from China in the two half years showed little change being HK\$455 millions in the first half and HK\$408 millions in the second half of the year.

BALANCE TURNS

Towards the end of the year the balance of trade with China turned in favour of imports: thus exports to China were down to HK\$107 millions in the last two months of the year as against HK\$173 millions of imports from China. It is possible that China will before long start buying non-embargoed goods again in the Hongkong market on a more extensive scale than recently, but there is no doubt that she is concentrating a lot of attention on trade with Russia and East Asia.

Meantime there is a large accumulation of goods in Hongkong warehouses but nothing like the amount we experienced two years ago which very suddenly dissipated. The commercial cargo tonnage discharged and loaded has naturally fallen off when compared with 1950 but the figures are still only slightly below those for 1949. It is clear that a moderate recession got underway in the latter part of the year. However, in our experience of trade in the Far East the word "normal" has rarely found a place and we can only meet the future as it arrives. Banking operations have continued at a high level. The Clearing House figures tell off a little at the end of the year but they were still well above the average monthly figures for 1950 and the total for the year 1951 was equivalent to more than £1,100 millions which compared with £900 millions in 1950.

HK INDUSTRIES

The United Nations embargo coupled with the restrictions imposed by the United States on shipments to Hongkong in December 1950, which are still in force, have naturally had an unfortunate effect on some of Hongkong's industries. Efforts are constantly being made, without much success, to obtain relaxation of the more onerous of the American restrictions which do not do any harm to China and in some cases have caused unemployment in Hongkong through the closure of factories. In others they have put up the costs of local industries which have had to buy their raw materials, especially cotton, in a more expensive market. As a result Hongkong goods find it difficult to compete with Japanese goods made from American materials. These difficulties will, we hope, be solved if a settlement is reached in Korea: they are just another instance of the pernicious injustices brought about by controls, restrictions and embargoes, however justifiable they may seem to be.

Further significance is added to what I have just said if you will note that Hongkong's imports from Japan have increased rapidly from HK\$229 millions in 1950 to HK\$392 millions in 1951. Exports to Japan only increased from HK\$120 millions to HK\$102 millions. Japan has expanded her trade in the past year with all the countries in the East, as is well known, a matter to which I shall refer

again later on. Imports from and exports to the United States fell off considerably last year as was to be expected but imports from Germany increased from HK\$327 millions to HK\$214 millions in the year and the latter has in fact expanded her trade throughout the East in a way only second to Japan.

I cannot conclude this section of my speech relating to Hongkong without saying how much we appreciate having the British Armed Forces stationed in the Colony. Not only are we glad to have them here for defensive purposes but also we welcome them because of the part they take in the life of the Colony. We must continue to assist in providing amenities wherever they are needed.

CHINA

Trading arrangements with China, both imports and exports, are now very largely in the hands of Chinese Government Departments or their agents and it has been estimated that 70 to 75% of China's foreign trade is with the Soviet Union and East European countries. Banking is also becoming more and more under Government control, not so much in the Western sense but rather following the Russian pattern.

Two years ago I said that we did not propose to withdraw our Office from China as long as there was some likelihood of their being able to do business. Now I see that there is little room for foreign banks to operate in China. In fact we took steps to withdraw our Offices from Tsingtao and Swatow in January 1951. In September Tsingtao was effectively closed but although we have now liquidated our Office in Swatow, our Agent has been unable to get a formal clearance from the local authorities and he is still there. In September we took steps to close our Tientsin and Peking Offices and we are doing no business at these places while liquidation is proceeding. In Shanghai we now only have four members of the Foreign Staff and business as far as we are concerned, is at a standstill.

Apart from saying this I do not propose to attempt to penetrate the curtain which hangs over China—whether it is a bamboo or an iron one. We like others, have a number of problems awaiting solution with the Chinese Authorities, and it would not help matters to refer to them. I will however say this. What is at stake in all this turmoil and confusion is something that goes far deeper than party dogma or political theories; it depends upon the honour, good faith and fundamental character of the Chinese people.

MALAYA

I will now turn to Malaya, a very important territory for the Bank. Early in 1951 the Federation is believed to be derived from the rubber industry and around 30% of the labour population is engaged in this activity. The importance of rubber is therefore obvious and no stone should be left unturned in order to ensure that the industry is maintained in a healthy and prosperous condition. The fall in Malaysian rubber production in 1951 by about 90,000 tons was due to a number of causes such as labour shortages, the disturbed conditions around and on the estates and so on. Meanwhile Indonesian production increased by roughly the same amount. It remains to be seen what effect the new exchange regulations issued in Djakarta last month will have on Singapore's entrepot trade and United States Dollar earnings.

REPLANTING PROBLEM

One of the most serious problems now facing the Federation Government is that of taking steps to ensure that replanting is started on the one million acres of small holdings which contain trees over 30 years old. It is also very important for the future that some agreement with the United States Government should be reached to bring about the relaxation of their policy of enforcing artificial controls and limitations on the use of natural rubber and of subsidising synthetic rubber. Sudden falls in prices such as have occurred recently are not only harmful to the industry but give an additional cause of anxiety to the local authorities.

Malaya's prosperity depends on rubber and tin. The communists are doing everything they can to interfere with plantations and mines. In these industries are depressed by policies adopted by the largest consuming country. It will in effect be playing into the hands of the communists and could endanger the political and social stability of this important area which is undoubtedly the vital spot in South-East Asia.

It is satisfactory that rice production is steadily increasing year by year. The 1950-51 season gave a record crop of over 442,000 tons but a similar quantity is still being imported and Malaya will remain in an unhappy situation at the mercy of the big producers until she becomes self-supporting as no doubt she will before very long.

the peninsula is swept clear of militant communism and united in loyalty to a country which will, we hope, take its place as a sturdy self-governing unit of the British Commonwealth of Nations.

There is a great deal that could be said about Malayan commercial and economic developments in the past year but it would lengthen this survey too much to do more than refer rapidly to some of the outstanding affairs.

The 1951 trade figures were once more a record being no less than 50% higher in value than those for 1950. Exports exceeded imports by about Malayan \$1,270 millions. It has been estimated that Malaya's United States Dollar net earnings for the year were about \$10 million in spite of the fact that the United States Government dropped out of the Singapore tin market in March 1951.

HIGH RUBBER PRICES

The trade figures were enhanced by the exceptionally high prices of rubber and tin in the early part of the year but later the fall in prices brought the monthly figures down well below the comparative months in 1950. Imports however were maintained. It is noteworthy that shipments from Japan rose from M.\$93 millions in 1950 to M.\$241 millions in 1951 and from Germany rose, from about M.\$22 millions to M.\$76 millions. The fact that imports from the United States area increased considerably to M.\$70 millions must be recorded with some surprise. Tin exports were slightly under 65,000 tons as compared with nearly 82,000 tons in 1950, but production of tin has been maintained at roughly the same level as the previous year, in spite of the great difficulties facing tin miners under the hazardous conditions in Malaya.

There is reason to hope that the arrangement made by Mr. Winston Churchill with the United States Government in January 20,000 tons of tin by the end of 1952 will at any rate bring to an end the boycott of Malayan tin. Those concerned with the tin industry are seriously worried at the almost insuperable difficulty of prospecting for new tin-bearing areas under present conditions in the interior.

RUBBER EXPORTS

Exports of rubber from Malaya, including re-exports, were maintained at the high level of about 1,150,000 tons of which exports to the United States of America were a little over 360,000 tons. Incidentally the value of rubber exports came to roughly 70% of Malaya's total exports. Over 40% of the national income of the Federation is believed to be derived from the rubber industry and around 30% of the labour population is engaged in this activity. The importance of rubber is therefore obvious and no stone should be left unturned in order to ensure that the industry is maintained in a healthy and prosperous condition. The fall in Malaysian rubber production in 1951 by about 90,000 tons was due to a number of causes such as labour shortages, the disturbed conditions around and on the estates and so on. Meanwhile Indonesian production increased by roughly the same amount. It remains to be seen what effect the new exchange regulations issued in Djakarta last month will have on Singapore's entrepot trade and United States Dollar earnings.

Finally, a word about the Royal Charter. Before I pass on to other topics, I must record a note of congratulation to Singapore on its receiving a Royal Charter conferring on it the dignity of a City on September 22nd last. Singapore's history dates from January 28, 1819 when a few huts on the edge of the jungle were all there was to indicate to Sir Stamford Raffles a site for this great and prosperous city which he then started to build. The loyal population of Singapore, predominantly Chinese, celebrated the occasion with enthusiastic civic pride. We British, whose forebears initiated the building of so many famous towns and cities in the East, proudly associate ourselves with the honour done to Singapore—*"Majulah Singapura" — Let Singapore flourish.*

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Office at Jelso

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It was fitting that only last June

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"N. BORNEO & BRUNEI

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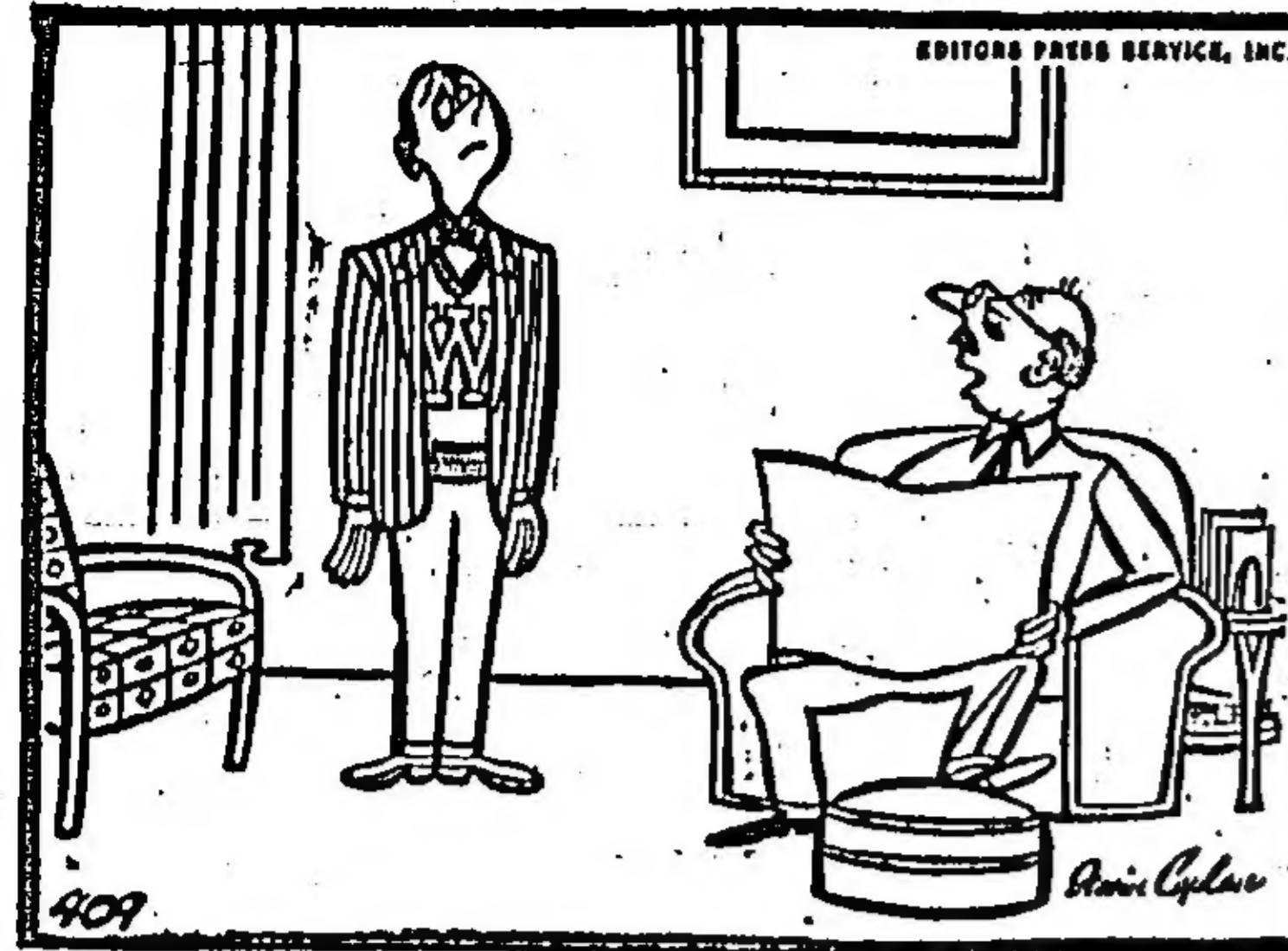
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Both Offices in the Colony of North Borneo and the State of Brunei. There are offices at Sandakan and



"What's the difference if you take the car, or if I take you and Dolores there and pick up you when the dance is over?"

• BY THE WAY • by Beachcomber

THEY say that an American put the wine-list and the menu mixed up in a London restaurant the other day.

He said: "I'll have a Côte Rotie, but not too underdone. What would go with it?" "I should try," said the waiter, "a bottle of Pelt Mignon." "O.K.," said the American, "with plenty of fee."

Snibb hits out

STUNG to activity by a report drawn up by business men, in which the lack of business education at our universities is deplored, Snibb has offered to endow a Chair of Merchandising at Oxford, director of an Inter-University Council which enabled our executives to think up new dodges for overcoming sales-resistance, and if you tell them to think of India, depicted as cloudy, French Snibb will not help you. Does a knowledge of Chaucer or Milton really aid a man to write advertisement copy? Is the attitude to life of Euclid relevant to modern business?

YOUR BIRTHDAY . . . By STELLA

FRIDAY, MARCH 7

BORN today, it would be well for you to develop self-reliance and a will of your own. If you are to achieve your fullest ambitions, you are inclined to be a little over cautious, so try to roll up your sleeves and do some physical labour.

You enjoy the good things of life, including extravagance and jewels, fine furnishings for your home. In fact, you must curb your desire for luxurious possessions if you are to succeed.

As you grow more experienced you will develop more will power. But don't wait until it has come, for then it may be that could bring you the most happiness and material success.

To find what the stars have in store for tomorrow, start reading your birthday star, repeat the corresponding paragraph. Let your birthday star be your daily guide.

SATURDAY, MARCH 8

PISCES (Feb. 28-Mar. 20)—Be careful if asked to loan someone some money. Be sure there is ample security for it.

ARIES (Mar. 21-Apr. 20)—Putting off a job you don't want to do will not detract from your sleeves and finish it.

TAURUS (Apr. 21-May. 21)—If older people should ask for your help today, be generous in giving it without question.

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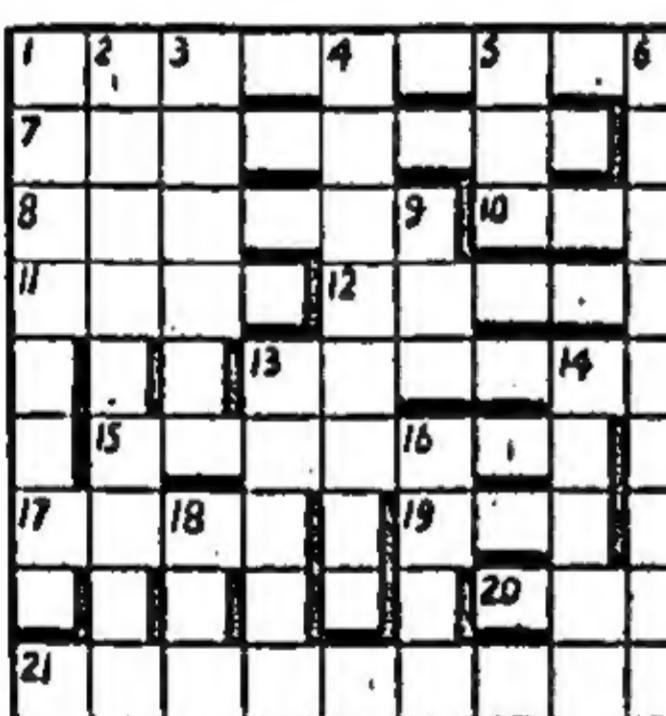
CANCER (June 22-July 22)—Concentrate on some important objective; push all efforts toward it vigorously.

LEO (July 23-Aug. 24)—This may be your day to repay someone for a favour you received some time ago.

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LIBRA (Sept. 24-Oct. 22)—The cultural pursuits are particularly favoured. A lecture or a concert may prove inspiring.

CROSSWORD



• BARBS

By HAL COCHRAN

NOT enough attention is paid to educating pedestrians, says a judge. So lots of them stop out and get bumps of knowledge.

A philosopher advises everyone to have an hour of meditation each day. An appropriate time is while you're waiting for a bus.

Being unlucky at cards makes people popular, says a writer. Maybe the partners just don't care.

The best lovers are flat-headed, says a doctor. Their rivals won't argue.

Check Your Knowledge

- What is the script or synopsis of a motion picture called?
- Rabid means (a) snobbish, (b) extending every effort, (c) fanatical, or carrying to an extreme, (d) extremely talkative.
- What is a fox-hole?
- What does the prefix "sequit" signify?
- In what game would you find a shuttlecock?
- Of what State in the U.S. is Richmond the capital?

(Answers on Page 10)



JACOBY ON BRIDGE

Keep Rivals Honest By Using Deception

By OSWALD JACOBY

THE simplest device is sometimes the most devastating. You don't have to be Larceny Lou to remember and use the deceptive play shown in today's hand.

West opened the pack of spades, and dummy won with the king. Declarer naturally led low to jump dummy, and finessed the queen from his hand. West made his single but devastating play at this trick. He played a low trump instead of the queen.

Mind you, this kind of play must be made with complete naturalness, or you'll appear to be thinking, because you will "clear" the air with the king. Also, you must find some way to ease with your partner if he reaches for the trick.

There are some players who take great pride in the fact that they are alive. If a finess is taken through them, and if they know that the declarer has the queen, then it is for the declarer to show that they are perfectly awake and ready, to be of assistance.

Of course, you can move between the location of the king. There are two ways of dealing with such a

NORTH 17
♦ A K Q 3
♦ 7 6
♦ J 6
♦ 4 5 4 2

WEST EAST
♦ J 10 9 7. ♦ Q 8
♦ K 8 3. ♦ 5 2
♦ 7 5 3 2. ♦ K 10 9 8 4
♦ 7 6. ♦ A 10 9 3

SOUTH (D)
♦ 5 4 2
♦ A Q J 10 9
♦ A Q
♦ K Q J

North-South vul.
South West North East
1 ♠ Pass 1 ♠ Pass
3 ♠ Pass 4 ♠ Pass
Pass Pass
Opening lead—♦ J

partner. One is to have a pack of cigarettes handy. As declarer takes his lines, you push the pack of cigarettes to your partner to keep him busy, and you can then partner without worrying about partner's reason.

A more effective way is to have a short but heavy stick on the table. When today's hand was played, East was not a teacher. He looked around, naturally, and declarer inquired of trump, and the second round, and so did West. South had no way of knowing that he was being led and not a teacher.

Naturally enough, South led another spade in dummy's ace and repeated the trump finess. This time West, being a king of hearts, West could not cash his made trick, and East eventually got the ace of clubs and a diamond trick.

Now the situation, if West wins the first round of trump, South has no need to repeat the trump finess. When he gets to the trump, with the ace of spades, he will use that entry to take the diamond finess. Since that succeeds he makes his game contract.

The stars have given you real talents—in music or creative writing—and you have what is called "in" with your friends. It is to cultivate the "perspiration of concentrated effort." It could make your dreams come true. There is a certain physical indifference that makes a

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SATURDAY, MARCH 8

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JUNIOR BADMINTON CHAMPIONSHIPS

THE YOUNGEST COMPETITOR STOLE THE SHOW AT RECREIO LAST NIGHT

Says "ARGONAUT"

Although he lost to his older and bigger opponent, 13-year-old Ko Wai-kok of Wah Yan College, who stood barely three and a half feet tall, took the spotlight in yesterday's games of the Colony Junior Badminton Championships.

Wielding the racket in classical style, the youngest schoolboy seen in action so far in this season's Schoolboys' tournament showed yesterday a courtcraft and an execution of stylish strokes that should easily put him in the class of Champions in the near future.

Slightly nervous in the first set, young Ko succumbed to the hard hitting play of Leung Tin-sik by 1-5.

In the second set, however, the accuracy in his strokes, may be one of the surprise producers as the younger boy earned repeated rounds of applause with beautiful point-scoring drop shots and smashes to win it by 16-8.

Despite his handicap of size and height, Ko carried the game to his opponent's half court, taking the offensive throughout.

The third set saw his opponent take a lead of 14-7. Fighting back pluckily, the youngster reeled off five points in a row, all from point-scoring strokes, to catch up to 12-14, but could not stop Leung from clinching the set and match.

EASY FOR FAVOURITES
The two Men's Junior Doubles matches ended in rather easy wins for the favourites, but the Men's Junior Singles matches produced some good play.

A surprisingly good standard was seen in the match between the two "C" Division youngsters, D. T. Rocha and I. Erlesson.

Both showed vast improvement from their previous season's form, with Rocha the much more improved player. On his performance last night, Rocha, with a little more ac-

THE HONG KONG JOCKEY CLUB

FIFTH RACE MEETING

Saturday 1st & Saturday 8th March, 1952

(Hold under the Rules of the Hong Kong Jockey Club)

The First Bell will be rung at 1.30 p.m. and the First Race will be run at 2.00 p.m. each day.

There are 8 races on the 1st Day and 9 races on the 2nd Day (16 in all).

Through Tickets for the 2nd Day, 8th March, 1952, (at \$18.00 each) may be obtained at the Compradore Office of the Treasurers, 1st Floor, Telephone House, also tickets for the Cash Sweep on the last race of the Meeting as well as tickets on the 'Hong Kong Derby' scheduled to be run on 31st May, 1952.

To avoid congestion at the Club's Office at Telephone House, non-members are requested to purchase their sweep tickets at the Club's Branch Offices at—

5 D'Aguilar Street, Hong Kong
or
382 Nathan Road, Kowloon

TOTALISATOR

The attention of Totalisator Investors is drawn to the following rules:—

Dividends will be paid on the winning and placed ponies as declared by the Stewards when the "All Clear" is given. The "All Clear" signal will be indicated by a white light and/or a white sphere at the Totalisator Tower. BACKERS ARE ADVISED NOT TO DESTROY OR THROW AWAY THEIR TICKETS UNTIL AFTER THE "ALL CLEAR" SIGNAL HAS BEEN EXHIBITED.

Totalisator Tickets should be examined and checked before leaving the Selling Counters as mistakes of any description cannot be rectified later.

Cash received in respect of Dividends should be checked before leaving the Pay-Out Counters as no claim for short payment of the value of tickets presented can be entertained once Investors have left the Counters.

All winning tickets and tickets for refunds must be presented for payment at the Race Course on the day to which they refer, but none will be paid later than one hour after the time for which the last race of the day has been scheduled to be run.

In no circumstances will any Dividends be paid or refunds made unless a ticket is produced. Payment WILL NOT be made on torn or disfigured tickets.

MEMBERS' BADGES AND ENCLOSURE

Members and guests are reminded that they and their ladies MUST wear their badges prominently displayed throughout the Meeting.

NO ONE WITHOUT A BADGE WILL BE ADMITTED TO THE MEMBERS' ENCLOSURE.

Badges admitting ladies not in possession of Brooches or Season tickets and gentlemen, non-members of the Club, to the Members' Enclosure and Club Rooms at \$10.00 per day including tax, for ladies or gentlemen are obtainable through the Secretary at Telephone House, on the written or personal introduction of a Member, such member to be responsible for all visitors introduced by him, and for payment of all chits, etc.

Only a limited number of badges admitting to Members' Enclosure will be on sale at the Race Course.

The Branch Offices and the Treasurers' Compradore Office will close at 11.00 a.m. on both days. The Secretary's Office will close at 11.45 a.m. each day. The Treasurers' Compradore Office and the Secretary's Office are situated at 1st Floor, Telephone House.

A limited number of tickets will be obtainable at the Club House provided they are ordered in advance from the No. 1 Boy (Tel: 27818).

NO CHILDREN WILL BE ADMITTED TO THE CLUB'S PREMISES DURING THE MEETING.

PUBLIC ENCLOSURE

The price of admission to the Public Enclosure is \$3.00 each day, including tax for all persons including ladies, and is payable at the Gate.

BOOKMAKERS, TIC TAC MEN, ETC., WILL NOT BE PERMITTED TO OPERATE WITHIN THE PRECINCTS OF THE HONG KONG JOCKEY CLUB.

MEALS AND REFRESHMENTS WILL BE OBTAINABLE IN THE PUBLIC ENCLOSURE.

SERVANTS' PASSES

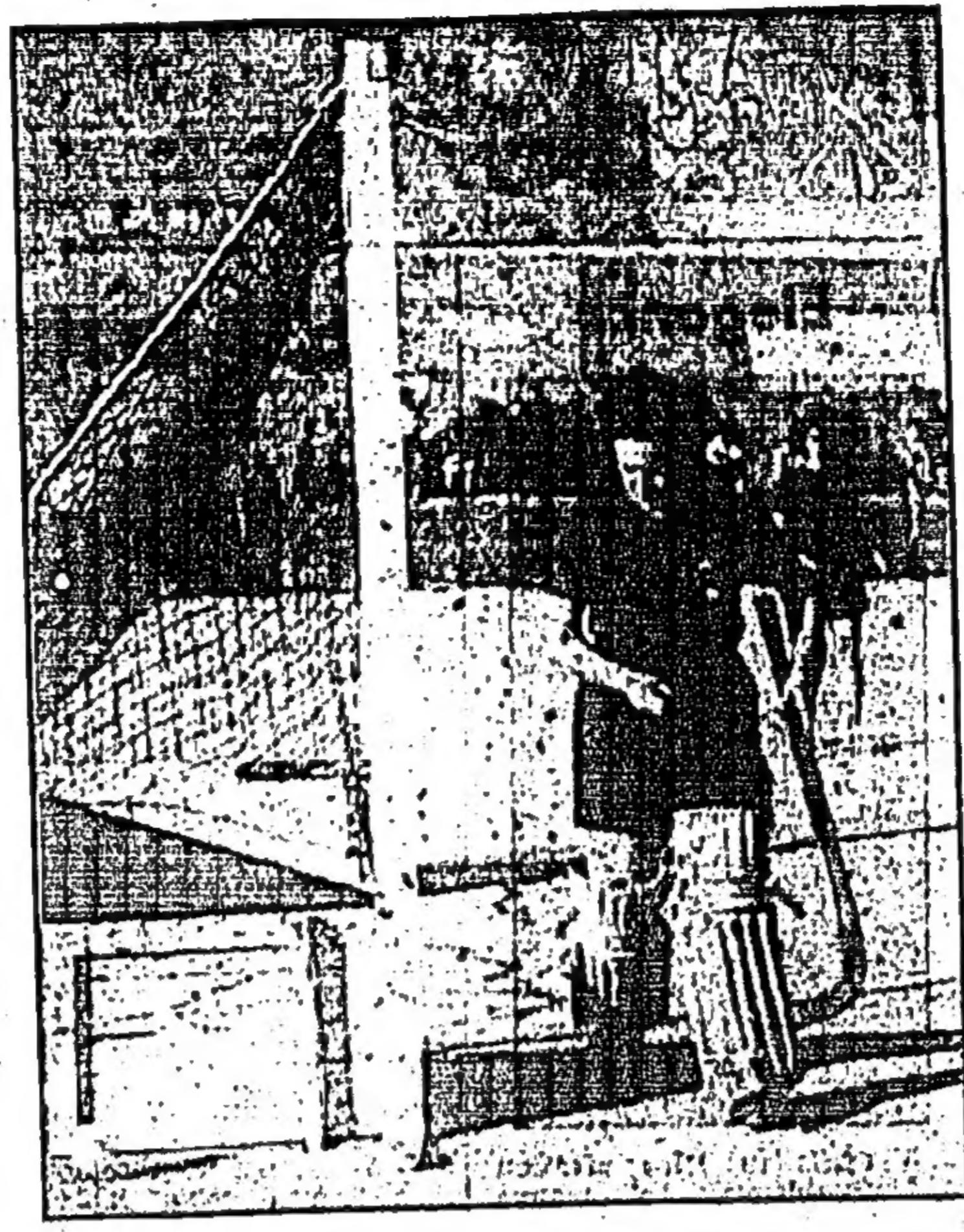
Servants' passes will be issued to private box holders only, who are requested to distribute them with discrimination and to endorse their names on the passes. Holders of such passes are not permitted in the Members' Enclosure except for passing through on their duties and must remain in their employers' stands.

Owing to the congestion in the Members' Betting Hall and at Booths adjacent to Boxes in the Coffee Room, Box-holders and Members are requested to ensure that their servants make use of the Public Betting Hall. Military Police will be posted at various points in the enclosure to ensure that this regulation is adhered to.

By Order,

H. MIA,

Secretary.

ON THE RECORD
FAREWELL TO THE MOTHER OF THE GREMLINS

This picture needs no caption as everyone who has any connection at all with Hongkong sport knows Maudie Read and today she leaves our shores after having participated in very nearly every sport known here over a period of years to rival many of the oldest old-timers.

Maudie Read started, of course, as Maudie George and, though this may be a startling disclosure to young Gremlins and Widgets whose nursery days are not too far behind them, she was, among other achievements, twice the winner of the Harbour Race.

She was not only a great swimmer and diver, but also a great high-jumper, and believe it or not, once the Colony Cycling Champion.

Maudie Read believed also in the social side of hockey and when she ran the Gremlins they even had an annual dance. The season was not long enough for her and, finished with the Ladies' League, her girls took on most of the unit teams in the Services with some success.

Her greatest achievement perhaps was in having the Gremlins invited to Kai Tak. It was the first time in history that Gremlins met the Royal Air Force in a friendly match.

To the younger generation, Maudie Read is only known as the Mother of the Gremlins, whom she founded, as well as the Widgets and the Ladies' Hockey League.

She was once the Colony's centre-forward and was nominated by "Bertie" Guest to the Colony's all-time Ladies' Hockey XI.

In the past two seasons Maudie Read served the Gremlins as goalkeeper, being nominated last year as the Colony's goalkeeper, and as coach and dresser-down.

Gremlins this season have missed their directives from the other end of the field. "Let Hilda have it, Noelle!" the Voice would come from the other end of the field, putting new terror into the opposition's defence.

At though being Lague Champions was not enough, Maudie decided this season to acquire the services of G. T. "Pedlar" Palmer as coach.

One of the new coach's first decisions was that there were to be no more directives from the goalmouth. The Voice remained silent and the Gremlins fell to pieces.

TUESDAY (At Takao)

6.30 p.m.: Schoolboys' Singles E. Marquez-Lim v. Wong Kwoi-wai.

6.45 p.m.: Schoolboys' Doubles —Leung Tin-sik and Chung Pit-tai v. Lam Yung-tai and Che Wan-kin.

7.00 p.m.: Schoolboys' Singles —Nr. Lee-ho v. Farid Khan.

7.15 p.m.: Schoolboys' Doubles W/O Charles Ching and partner v. Leung Ying-ha and Hui Ki-bun v. Lieu Chun-van and Lo Chee-ming.

7.30 p.m.: Schoolboys' Singles —Wong Shiu-kwong v. Peter Lim or Thomas Tung.

8.00 p.m.: Men's Junior Doubles —M. T. Lam and W. N. Cheung v. Wong Yam and S. P. Ng.

8.30 p.m.: Men's Junior Singles —D. T. Rocha v. Wong Kai-cheung.

9.00 p.m.: Junior Mixed Doubles —Miss T. Remedios and H. J. Xavier v. Mrs. W. K. Tso and K. V. Tso.

9.30 p.m.: Men's Junior Doubles —L. H. Tan and H. Hoeng Seng-tuck v. J. C. Koh and C. A. Remedios.

LAWN TENNIS.

Colony Open Championships at HKCC Courts, Chater Road, commencing 5 p.m.—Tui Wal-pui and Hui Ki-bun, Lee Wai-tung and K. C. Ng, Frank Yeh and F. L. Liang, Kuen-kwong and Cheung Choy, Ping-fun and Ling Chiu.

BADMINTON.

Colony Open Championships at Craigenover Cricket Club, commencing 5 p.m.

RECORDERS.

Tomorrow's Home Soccer

Manchester United Should Improve Their Position At The Top Of The League

By DENNIS HART

In the past many teams have striven for the double. But since the beginning of the present century no club has managed to win the League Championship and the FA Cup in the same season.

Arsenal and Portsmouth both have a good chance of carrying off football's two major honours this season. But while they are engaged in the Cup, Manchester United, with only the Championship to worry about, are consolidating their position.

United, who travel to Roker Park today can improve their place at the head of the table even further as their rivals battle for the right to appear in the semi-final.

The match with Sunderland should be a most attractive fixture for the north-easterners, despite their lowly League position, are playing delightful football. This is to be expected from a forward line which contains such a brilliant full player as international inside right Len Shackleton and bustling Cup-centre-forward Trevor Ford.

They also have a good defence, in which centre-half Hall and goalkeeper Mapson, members of the victorious 1937 Cup-winning side, are playing as well as ever.

In fact Sunderland have all the attributes of a successful side, but it was not until recently that their good football was translated into points value. This occurred when Willie Watson, capped for England at right half, was moved to the left wing. Now there is far more penetration in the forward line.

NO CLEAR GUIDE

The Second Division struggle for promotion grows in intensity each week.

But no clear guide as to the teams likely to go up can be expected from today's game. For Blackburn and Sheffield United are engaged in the Cup and their original League opponents, Sheffield Wednesday and Cardiff, are without a game. All four may be involved in a neck finish.

And as Notts Forest, Leicester and Birmingham, three more promotion contenders, have away games their respective chances of opening up a lead cannot be rated very high.

Birmingham, the best away side in the division, visit West Ham, where they have not lost since the war. But they will not find the recently improved 'Hammers' easy to beat.

And in the Third Division North Lincoln should continue their winning way in their home game with Halifax, who have gained only one point at Lincoln in the last eight games there.

SCOTTISH CUP TIES

In Scotland, interest is centred on the fourth round cup-ties. Motherwell, League Cup winners and Association Cup finalists last year, have a stiff task in visiting Rangers.

Despite the absence, through a broken leg, of inside-right Findlay, the Glasgow side should prove too strong for the visitors who have not been impressive this season. Ibrox officials expect a crowd of 70,000. Hearts will not have an easy game at Airdrie, where East Fife and Morton were beaten in the two previous rounds.

Falkirk, the only "B" Division club left in the competition, visit Third Lanark. Playing inside-forward Plumbe, leading Cup-goalscorer in Scotland, is in form, they have a chance of reaching the semi-final.

If Aberdeen hope to win through their away tie with Dundee, they will have to tighten up their defence. They can not afford to have a jittery period like the one experienced in the replay of their third round tie with Dundee United.

They were leading 3-0 fifteen minutes from time, but at the final whistle were more than content to win 3-2. Against Dundee, they will have to contend with the wiles of international inside-left Steel, and the thrust of ex-Hearts centre-forward Flavel.

They were leading 3-0 fifteen minutes from time, but at the final whistle were more than content to win 3-2. Against Dundee, they will have to contend with the wiles of international inside-left Steel, and the thrust of ex-Hearts centre-forward Flavel.

—(London Express Service)

Mrs. J. Wai Wins Golf Ch'ship

Mrs. J. Wai won the Silver Division Championship of the Ladies' Section of the Royal Hongkong Golf Club at Fanling yesterday when she defeated Mrs. W. H. S. Armstrong, by three and one.

Conditions were not conducive to good golf, an exceptionally strong wind interfering with play throughout.

The Bronze Division Championship was won by Mrs. J. Markham, who defeated Mrs. H. J. Armstrong four and two.

Mail Notices

Latest news of posting at G.P.O. and at Kowloon Post Office; registered articles and parcel mails close one hour earlier than the ordinary mail times shown below.

FRIDAY, MARCH 7

By Air

Formosa, Okinawa, 5 p.m.

H.K.A./N.W.A.L.

Japan, Canada, 5 p.m., C.P.A.L.

Malaya, B.O.C.

N. Borneo, Australia, New Zealand, 5 p.m., Q.E.A.

Philippines, Guam, Hawaii, U.S.A., 5 p.m., P.A.C.

By Surface

Macao, 12.30 p.m.; 6 p.m., as Lee Hong/Tak Shing.

SATURDAY, MARCH 8

By Air

Formosa, Okinawa, 5 p.m., B.O.C.

Japan, Canada, 5 p.m., C.P.A.L.

Malaya, B.O.C.

Indo-China, France, French North & West Africa, 5 p.m., Air France.

Siam, 5 p.m., P.O.A.S.

By Surface

Macao, 12.30 p.m.; 6 p.m., as Lee Hong/Tak Shing.

Philippines, 1 p.m., as Hainan.

Ceylon, Madras, Aden, 2 p.m., as Galle.

Indonesia, 2 p.m., as Tjipondok.



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CHINA NAVIGATION CO., LTD.

SAILINGS TO

"KONTUM"	Halong	10 a.m. 8th Mar.
"HANYANG"	Tientsin	10 a.m. 10th Mar.
"SHENGKING"	Keeling	5 p.m. 12th Mar.
"PUKIN"	Djakarta, Cheribon, Samarang, Sourabaya & Macassar	10 a.m. 13th Mar.
"YOCHOW"	Bangkok	10 a.m. 15th Mar.
"SZECHUEN"	Singapore & Perlang	10 a.m. 15th Mar.
"SINKIANG"	Yokohama, Nagoya, Osaka & Kobe	5 p.m. 15th Mar.
"SHENGKING"	Keeling	5 p.m. 19th Mar.
"HUPEN"	Tientsin	10 a.m. 23rd Mar.
"SOOCHOW"	Bangkok	5 p.m. 25th Mar.

Sails from Custodian Wharf

ARRIVALS FROM

"SZECHUEN"	Osaka	7 a.m. 10th Mar.
"SHENGKING"	Keeling	11th Mar.
"PUKIN"	Kobe	11th Mar.
"PAKHOI"	Moji	13th Mar.
"SINKIANG"	Singapore	13/14th Mar.
"YOCHOW"	Yokohama	14th Mar.
"PINING"	Bangkok	17/18th Mar.
"HUPEN"	Tientsin	

A.O. LINE LTD./C.N. CO., LTD., JOINT SERVICE

SAILINGS TO

"TAIYUAN"	Manila & Sydney	Noon 12th Mar.
"TAIPING"	Sydney & Melbourne	26th Mar.
"CHANGSHA"	(for passengers only)	27th Mar.

ARRIVALS FROM

"TAIYUAN"	Kure	10th Mar.
"TAIPING"	Nagoya	23rd Mar.
"CHANGSHA"	Yokohama	28th Mar.

BLUE FUNNEL LINE

Scheduled Sailings to Europe via Aden & Port Said

"HELEUS"	Marseilles, Liverpool & Glasgow	Noon 7th Mar.
"CLYTONEUS"	Genoa, London, Rotterdam & Hamburg via Manilla	22nd Mar.
"ANCHISES"	Dublin, Liverpool & Avonmouth	26th Mar.

"PATROCLUS"	Marseilles, Liverpool & Glasgow	6th Apr.
Scheduled Sailings from Europe		
Sails Liverpool		
Sailed Rotterdam		
S. "CLYTONEUS" do Sailed		
S. "PATROCLUS" do —		
S. "ASTYANAX" do —		
G. "AENEAS" do —		
G. "ASCANIUS" 12th Mar. 16th Mar.		
G. "PERSEUS" 18th Mar.		
G. "AGAPENOR" 25th Mar.		
G. "CALCHAS" 5th Apr.		
G. "AUTOMEDON" —		

G. Loading Glasgow before Liverpool.

S. Loading Swansea before Liverpool.

Carriers' option to proceed via other ports to load & discharge cargo.

DE LA RAMA LINES

ARRIVING via MANILA FROM
U.S. ATLANTIC & PACIFIC COAST PORTS

"DONA NATI" 18th Mar.

"ANDAMAN" 10th Apr.

Gallay Pacific Airways Ltd.

Route	Departs Hongkong	Arrives H.K.
H.K./Bangkok/Singapore (DC-4)	8.00 a.m. Mon. Thurs.	8.15 a.m. Tues. Fri.
(Connects at Bangkok with U.S.A. to Rangoon)		
H.K./Hanoi/Haiphong (DC-3)	10.00 a.m. Tues.	2.15 p.m. Wed.
H.K./Saigon/Singapore (DC-4)	12.00 Noon Tues.	4.15 p.m. Wed.
H.K./Manila/B.N. Borneo (DC-3)	8.00 a.m. Tues. Fri.	3.45 p.m. Wed. Sat.

All the above subject to Alteration without notice.

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BRANCH OFFICE: 50 Connaught Rd West 25875-32147-24878



ARRIVALS

FROM DUE

"BENATTOW"	U.K. via Singapore on or abt.	16th Mar.
"BENAVON"	Japan	21st Mar.
"BENLEDI"	U.K. via Singapore	30th Mar.
"BENCLEUCH"	U.K. via Singapore	18th Apr.
"BENCRUACHAN"	Japan	24th Apr.
"BENMACDHUI"	U.K. via Singapore	25th Apr.

SAILINGS Loading on or abt.

"BENATTOW"	London & Ham-	10th Mar.
"BENAVON"	Direct to Singapore, thence Liverpool, Glasgow, Dublin & Hull.	22nd Mar.
"BENLEDI"	Kure, Yokohama & Kobe.	5th Apr.

"BENCLEUCH"	Avgimondi, Liver-	22nd Apr.
"BENCRUACHAN"	Direct to Singapore, thence Haifa, London & Hamburg.	26th Apr.
"BENMACDHUI"	Kure, Yokohama & Kobe.	26th Apr.

5 Calls Manila, Tawau, Sandakan, Jesselton & Labuan.

W. R. LOXLEY & CO., (CHINA) LTD.
Agents, Telephone 84165.

CHINA MAIL

J. WYNDHAM SMITH

1952

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(AFTERNOON)

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and advertisements to the Secretary.

Telephone: 2681 (5 Lines).

KOWLOON OFFICE:

Salisbury Road.

Telephone: 2328.

NOTICE

THE "STAR" FERRY

COMPANY, LIMITED.

Notice to Shareholders

ORDINARY GENERAL

MEETING

NOTICE is hereby given

that the Fifteenth Ordinary

Yearly Meeting of the

Members of the Company

will be held at the Office of

Messrs. Jardine, Matheson &

Co., Ltd., Pedder Street,

Hong Kong, on Friday, 28th

March, 1952, at Noon for the

following purposes:—

1. To receive and consider

the Report of the Directors

and the Statement of

Accounts for the year

ended 31st December, 1951.

2. To sanction a dividend in

respect of the year 1951.

3. To elect Directors.

4. To appoint Auditors.

CLOSING OF

TRANSFER BOOKS

Notice is also given that the

Transfer Books and

Register of Members of the

Company will be closed from

15th March, 1952, to 28th

MESSAGERIES MARITIMES



Arriving Leaving Outward For

"LA MAESILLIAISE" Mar. 30 Mar. 31 Kobe, Yokohama.

"MAPIE HILL" Apr. 9

Homeward For

"FELIX ROUSSEL" Mar. 7 Marseilles via Manila

"MORTAIN" Mar. 15 Mar. 16 N. Africa & Europe

"ZELIDA" Apr. 4 Apr. 5 N. Africa & Europe

* passengers & freight.

freight for Saigon, Alexandria, Tunis, Marseilles, Algiers, Oran, Tangier, Casablanca, Havre, Dunkirk, Antwerp & Rotterdam.

Subject to Change without Notice.

CIE DES MESSAGERIES MARITIMES

P.O. Box 53, Hongkong

Queen's Building (gr. floor) Tel. 26651 (3 lines).

M.V. "FELIX ROUSSEL"

will sail for

MARSEILLES

via

MANILA, SAIGON, SINGAPORE, COLOMBO,
DJIBOUTI & PORT SAID.

on

Friday the 7th of March at 9 P.M.

Passengers are requested to board the vessel with their cabin baggage on Friday the 7th of March between 4 P.M. and 8 P.M. (Dinner for passengers at 7 P.M.)

Baggage Room and Hold Baggage will be registered at Kowloon Godown No. 50 (No. 2 Gate Canton Road Entrance) on Thursday the 6th of March from 9 A.M. to NOON and 2 P.M. to 4 P.M. and on Friday March 7th from 9 A.M. to NOON ONLY.

No baggage will be accepted for registration after this time.

CIE DES MESSAGERIES MARITIMES

P.O. Box 53, Hongkong.

Queen's Building. Tel: 26651 (3 lines).

STARTLING RISE
IN COSTS OF
OIL INDUSTRY

London, Mar. 6.

The startling post-war rise in oil industry costs is revealed in figures just published by the American Petroleum Institute.

To take one example, drilling. Although revenue per foot drilled remains about the same as in 1941, drilling costs have risen by over 80 per cent since that date.

Refinery construction costs likewise are some 100 per cent above pre-war level and marketing costs have increased by between 125 per cent and 140 per cent, while a pipeline which cost, on an average, the equivalent of £4,000 per mile to build in 1938, now costs between £7,000 to £8,000 for the same distance.

To carry out the necessary replacement, modernisation and expansion schemes undertaken in the U.S.A. itself during the five years 1946-1950 the oil men spent the equivalent of well over £3,000,000,000 and are expected to spend another £1,300,000,000 in 1952 alone.

That sort of expenditure typical of the oil industry's outlay in all parts of the world where it is now operating emphasises the need of capital resources on the largest possible scale.

It also emphasises why such a large proportion of the oil industry's earnings is being reinvested in future operational projects.

Thus, the annual report of one leading oil group, published only last June, showed that, taking depreciation and the reserve allocation together, close on £100,000,000 had been allocated out of the year's earnings for modernisation and extension of the group's undertakings.

SMALL WONDER

Small wonder that one City Editor called this "ploughing back" on the grand scale!"

And within a few months of this announcement, an executive of the same oil group forecast that if British and British-Dutch companies were to hold their own in the world's oil markets, they would have to spend nearly another £500,000,000 on new plant in the next few years.

This, of course, will mean yet more ploughing back of incomes and the need of a large enough income to enable such sums to be found.

That is why budgeting—even with many millions of pounds available in the form of earnings—means such meticulous planning and weighing of priorities for large industries as well as for the man-in-the-street. London Express Service, France-Press.

Regrouping
Of Factories
In Japan

Tokyo, Mar. 6.

The American authorities plan to regroup Japanese plants under direct and indirect control of the garrison forces, according to well-informed circles.

State-owned plants requisitioned by the Americans—emphasised for reparations—will be placed under the direct control of the garrison forces while civilian plants will be controlled indirectly through an American supervisor.

According to the newspaper *Yomiuri*, the Americans plan a huge motor-car plant embracing the Fuji Motor Works in the Oppama area in the vicinity of Yokohama. About 20 Japanese plants in the area would be requisitioned and incorporated in the huge plant together with their present workers. France-Press.

Jap. Freighters' India Trip

Tokyo, Mar. 6.

The Kokusai Lino's *Nisan Maru*, 6,898 tons, is to leave Nanyo on Mar. 22 or 23 with a full load of cargo for India and Pakistan, the *Jiji Press* reported this morning.

Shipping circles said that this is the first time any Kokusai Lino vessel operating on this route has carried a full cargo. The cargoes include steel products, machinery, ceramic goods and sundry goods. France-Press.

Gold Reserve
Below The
Safety Level

London, Mar. 6. A qualified informant said yesterday that the Sterling Area's gold and dollar reserves have slipped below \$2,000,000,000—long regarded as the minimum safety level.

There is some concern that by June 30 these reserves—the Sterling Area's capital for trade with the rest of the world—may be as low as \$1,000,000,000.

This would be only \$250,000,000 more than the crisis level reached just before devaluation of the Pound Sterling in September, 1949. From that low point of \$1,350,000,000, the reserves had climbed, at most, to \$4,000,000,000 by the middle of last year before the current decline started. Associated Press.

FOREIGN
EXCHANGES
IN NY

New York, Mar. 6. U.S. \$1.00 =

Canada, England—official

"30-day futures"

"90-day futures"

Australia, New Zealand

South Africa, Belgium

France, West Germany

Italy, Norway

Portugal, Spain

Switzerland, Middle East

Egypt, Turkey

Latin America

Brazil, Bolivia

Chile, Colombia

Cuba, Mexico

Peru, Venezuela

Far East

India, Pakistan

Hongkong, Indonesia

Singapore, Japan

200 yen to US\$1

—United Press.

United Press.

SINGAPORE MARKET

Singapore, Mar. 6.

Prices of rubber futures closed

today as follows:

Number 1 rubber, per lb.

April 1014-1/2

June 1014-1/2

Number 2 rubber, April 1014-1/2

Number 3 rubber, April 1014-1/2

Number 4 rubber, April 1014-1/2

Sulphur, unlined 80-83

Black crepe 132-137

No. 1 pale crepe 132-137

—United Press.

United Press.

Prices of rubber futures closed

today as follows:

Number 1 rubber, per lb.

April 1014-1/2

June 1014-1/2

Number 2 rubber, April 1014-1/2

Number 3 rubber, April 1014-1/2

Number 4 rubber, April 1014-1/2

Sulphur, unlined 80-83

Black crepe 132-137

No. 1 pale crepe 132-137

—United Press.

Jap. Metal
Production

Tokyo, Mar. 6.

Japan's production in January of ferrous metals, particularly iron and steel, continued the upward trend established in the latter months of 1951, according to statistics compiled by SCAP's Economic and Scientific Section.

Compared with a year ago, the January 1952 output of pig iron increased 44 per cent. Steel ingot production showed an increase of 16 per cent over that of a year ago.

The statistics showed that 306,700 metric tons of pig iron were turned out in January 1952, and 565,000 metric tons of hot rolled steel produced in the same period. France-Press.

CHICAGO GRAINS

Chicago, Mar. 6.

Only very small price changes

were recorded in grains at the

opening on the Board of Trade

today. The trading pace was slow and the market lacked any real trend.

Wheat started unchanged to 1/4

cent higher March 8,22¢.

Soybeans were 1/4 cent lower

to 7/4 higher March 8,22 1/4¢.

Associated Press.

NY Cotton Market

New York, Mar. 6.

Cotton futures opened

changed to 38 cents per lb.

lower.

March 40 42

May 39 00-70

July 38 70-77

October 38 87-90

December 35 51

May 35 41

July 35 41

—Associated Press.

Britain To Bring Up
Japan's Sterling Debts
At Financial Talks

(OUR CWN CORRESPONDENT)

London, Mar. 6.

Talks which are due to begin at the end of this month between the British Treasury and the Japanese Government, to review the working of the new Sterling payments agreement, are expected to include at least some reference to Japan's Sterling debts.

The suggestion may be made that surplus Sterling balances built up by Japan since the agreement came into operation last September should be used to redeem part of her £90 million debt to Sterling bondholders.

Signing of the new payments agreement, which ended the previous dollar conversion arrangement, was welcomed as a means of increasing trade between Japan and the Sterling Area.

HONGKONG
SHARE
MARKET

(From Our Correspondent)

Business done on the Stock Exchange this morning amounted to \$270,875. Noon quotations and the morning's transactions—

SHARES BUYERS SELLERS SALES

BANKS HK Bank XD 1470 1500 2 1400

INSURANCES Union 260

C. Life 763

HK Fire 150

Shipping Asia Nov. .. 15,000 or 17,250

4500 or 4500 or 17,250

DOCKS, ETC. K. Wharf 107

N. P. Wharf 500 or 6,000

Providence XD 121

45 45 100 or 45

LAND, ETC. HK Hotel XD 7,40 7,60 500 or 7,25

HK Land 100 61,000 500 or 61,000

Shai Land 1,10

Humphreys XD 13

Realty 25

UTILITIES Train 17,40

Power, Gas 24

C. Light (O) 515 500 or 4,49

C. Light (N) 2000 2,000 or 5,05

Electric XD 20,00

500 or 20,000

INDUSTRIALS Cement 100 or 104

100 or 105

1000 or 105

1000 or 22,500



Hongkong Bank Meeting

(Continued from Page 4)

and the outlook for 1952 is not much improved.

Much has been written about the ambitious five-year plan, the draft of which was published during the year. Its importance is clearly evident and it is justly claimed to be an advance on the six-year plan prepared in connection with the Colombo programme, but the prior emphasis is still on schemes which will help to produce large quantities of food. Meantime as part of their contribution to the Colombo Plan programme Australia, Canada and the United States of America have contributed supplies of food grains and the rupee counterpart fund has been used to provide loans to help local projects which also benefit food production. Early in January an agreement was signed with the United States by which the latter agreed to provide US\$45 million as a Technical Co-operation Fund for rural development schemes. This project taken with the technical programme which is already progressing rapidly under the Colombo Plan will undoubtedly prove of great benefit to India's production in the course of time.

The recent agreements relating to the establishment of three Oil Refineries in India is also of great interest and importance in view of the special terms obtained by the oil companies.

My comments today on developments in a large country like India must necessarily be inadequate and sketchy. I have looked on the rosy side of things; there is unfortunately another side but the balance shows that there has been progress although much remains to be done.

CEYLON

The foreign trade of Ceylon continued in a satisfactory state last year and exports exceeded imports by Rs. 345 millions. Ceylon's interest was taken in the visit of a strong mission from the International Bank under

the leadership of Sir Sydney Caine who is to well known to many of us in this Colony. The Mission will shortly be reporting on the financing of further agricultural and industrial development which is much needed in order to diversify the economy of the country. The Government Party lost a few adherents during the budget debate last year, but the Prime Minister still has a working majority and his views and outlook were happily expressed in the course of the same debate when he said: "We want friends and we feel that the best friends we could have are the British and other members of the Commonwealth."

THAILAND

The International Bank authorities have also been active in Thailand in connection with their loans made at the end of 1950. A Railway Authority and a Port Authority have been set up each governed by an autonomous Board as stipulated by the Bank. The year saw some surprising political occurrences but after the dust had settled down outward appearances showed no change. The financial situation gives no cause for immediate anxiety but there are inflationary tendencies as in so many other countries in the world. Mr. W. A. M. Dell, the Financial Adviser to the Government, who has for fifteen years identified himself faithfully with the interests of Thailand, resigned last March. His final report received considerable publicity and contained a number of important recommendations which will not receive the careful consideration of the Government. Mr. Dell asserted that "Siam is riding on the crest of a wave of unparalleled prosperity" but he also uttered some words of warning about the excessive number of small banks, the need to strengthen the Central Bank and the evil effects of the Exchange Turnover Tax. There was again a bumper rice crop last season and exports in the year probably exceeded 1,800,000 tons, a record figure. Unfortunately the surplus for export

in 1952 is put at only 1,100,000 tons which is, I hope, an underestimate.

It is disappointing that internal political conditions in Burma should have failed to improve in the past year and recently the situation on the Burma-China-Siam frontier has given rise to much uneasiness. The decision of the Burmese Parliament last October agreeing to the establishment of a Karen State within the Union of Burma was welcome but more genuine co-operation on the part of the Karenas as a whole has not yet become apparent.

The rice trade is of course the backbone of Burma's economy but rice exports are still a long way below the pre-war figure of 3½ million tons although there was a slight improvement in 1951 when exports reached slightly over 1½ million tons. Other important export products such as timber, minerals and oil remain behind pre-war levels. Nevertheless the balance of trade for the year showed a favourable balance of Rs. 63 millions.

OIL AGREEMENT

The agreement made on December 1st with the Burma Oil Co. leads to the hope that in due course the oil industry will once again recover. Its former capacity even though progress in this direction is certain to be slow. Another good sign was the agreement reached in October with the Burma Corporation on the working of the Bawdwin Mines which in the past have produced large quantities of silver, lead and zinc.

American aid has continued and arrangements have been made to rehabilitate the port of Rangoon and five other ports which between them handle most of the foreign trade of the country. Recently Burma has decided to participate in the Colombo Plan. The Government fully realises the need for attracting foreign capital to rehabilitate and develop the country and in this connection they hold strongly that Japan should provide reparations to restore the damage caused in the war.

RESERVE FAILS

However the international reserve of the Central Bank fell during the year from US\$290 millions to US\$246 millions owing largely to increased issues of import licences which were aimed at countering inflationary pressures. Whereas there was an export surplus in the first half of the year, the second half produced a considerable increase in imports so that the final trade figures were imports Ps. 950 million, exports Ps. 631 millions, showing an adverse balance of Ps. 128 millions. The decline in prices of important export commodities such as copra, coconut oil and hemp in the second half of the year also affected the export figures. In view of the world demand for many of the products of the Philippines, more rapid progress with agricultural programme already laid down would greatly benefit the economy of the country.

JAPAN

The Treaty of Peace which was signed by 49 nations at San Francisco on September 8th 1951 was of course the most notable political event of the year for Japan. But the opposition of Russia and the Chinese People's Government leaves serious problems for the future.

In the business field one of the main events was the transfer of SCAP control over foreign currency funds to the Japanese Government Foreign Exchange Control Board as a consequence of which Japan obtained complete control of her foreign trade.

Another important event was the signature of the new Sterling Area Payments Agreement on August 31st last. In this agreement the dollar convertibility clause of the earlier agreement was omitted thus leaving all payments between Japan and the sterling area to be settled in sterling. It was hoped that this would result in an expansion of trade, both ways but unfortunately Japanese exports to the sterling area have increased while imports have not kept pace leaving an accumulation of sterling amounting possibly to as much as £100 millions. Meanwhile exports to the dollar area have fallen off but imports from that source have increased.

It is obvious that adjustments are necessary whereby Japanese purchases can be switched in the future to the sterling area as far as it is possible. This complicated matter is now being studied in Tokyo by representatives of the two Governments.

VERY REAL DANGER

The new exchange rate and the associated regulations which were enforced last month came to the rescue of the more depressed commodities and are more realistic than the former Certificate system. The leading authorities at Djakarta are of course well aware of the need to deal with the problems of

inflation and order, security, the encouragement of foreign capital, the increase of the productivity of labour and general speaking to ensure that ordinary fundamental economic principles are put into practice. Indeed we are aware that such problems are being tackled in spite of the many handicaps which are at present obstructing rapid progress. It is highly satisfactory that the authorities are seeking foreign technical assistance and advice in regard to many matters and that financial aid from the Mutual Security Administration and the Export-Import Bank is continuously being received. But what the country needs most of all is a period of real law and order.

THE PHILIPPINES

The internal political situation in the Philippine Islands improved in the past year largely through the effective efforts of the energetic Defence Secretary whose intensive campaign against the Huks has brought about definite change to an end.

There will be many difficult problems facing Japan in the coming year. Reparations will be the subject of negotiation with several countries. The future of Korea will affect Japan closely. Trade with China is brisk with political complications as does also the matter of her relations with Formosa; a satisfactory settlement can hardly be expected until the Korean conflict comes to an end.

TEXTILE TRADE

Towards the end of 1950 and early in 1951 a fairly active trade was developing between Japan and North China and some steel was shipped amongst other less important commodities. The United States then stepped in and at the present time it is believed that only a small business is proceeding. A further problem is that of Japan's textile trade; the effect on Lancashire is fully debated in Great Britain without, so far as I am aware, any decision being reached as to how to get a sensible settlement. Further expansion has taken place in our Offices in Japan. We opened a new Office at Osaka during the year and have recently obtained a site on which we propose to erect a bank building for our branch there.

You will have noticed references in the various sections of my speech to the grave problem prevailing throughout the whole of South and South East Asia of the insufficiency of food—particularly rice—and the crying need for greater agricultural production. Exports of rice are still less than half of the average pre-war level but the population has increased 10%. The shortage is mainly due to the poor production in Burma, Indo-China and South Korea where large-scale increases are only prevented by political disturbances. It is right that much attention should be given to this problem in the Colombo Plan and the United States Aid Programmes but top priority is necessary, and I feel strongly, as I have already said, that further industrialisation should in the meantime be given only secondary consideration throughout the greater part of this area.

ANGLO-US RELATIONS

Before I conclude there is one word I want to say about Anglo-American relations. In regard to the economic needs of the East there is no difference of opinion. In political matters there are divergences, as was honestly recognised by President Truman and Mr Churchill in their joint statement issued at Washington last January, and as we in Hongkong know so well. But divergences can be straightened out if realistic attempts to do so are made by both parties on all levels. I sincerely hope that this will be done in the near future.

Finally I feel sure that shareholders will wish me to thank the staff of the Bank for the very satisfactory result of the past year's operations. If you look through the list of the branches of the Bank the varying conditions at each place will at once come to mind. In some places the strains and difficulties have been much worse than others but I am well satisfied with the competent way in which each Office has faced its particular problems.

I now beg to propose the adoption of the Report and Accounts as presented.

SECONDER'S SPEECH

The Hon. T. N. Chau, CBE in seconding said:—

It is with much pleasure that I rise to second the Chairman's motion. I shall not keep you long as I only wish to refer to three matters.

First of all I feel sure I am speaking for all shareholders when I say that we wish to associate ourselves with the Chairman's remarks about the late King George VI, the Royal Family and Queen Elizabeth II. We sincerely hope that the young Queen will have a long and illustrious reign.

Secondly I want to congratulate the Chairman on the record Balance Sheet and on a most interesting and informative review of political and economic affairs in the countries where the Hongkong and Shanghai Bank operates. Unfortunately the picture

SIDE GLANCES

By Galbraith



"You'd better not change him any more—you always stick yourself, and I don't want his first words to be profane!"

President Truman Attacks Critics

(Continued from Page 1)

more than we do now to make up for the loss of materials and armed forces we now get from our allies. What is worse we would still not be secure.

"Some people say we should not send our partners such things as raw materials and machinery. They claim that we can save money by sending our partners only things that shoot. These people do not realise that this would not be saving money at all. On the contrary, it would cost us more money."

"If we do not make it possible for other nations to increase their own defence efforts we would have to send more arms from our own production."

"The people who say 'We cannot afford it' are the same people who have been saying 'We can't afford it' in every worthwhile thing America has undertaken in the last 20 years."

"If they had been right we would be bankrupt."

Continuing, President Truman said that these were the people who were in favour of the mutual security programme but who said that "we shall have to cut it by several billion dollars".

This was a very popular point of view in an election year.

"But I think most of you will agree with me that we would be better off to win the fight against Communism than to win any particular election," the President added.

RISKS TOO GREAT

"I would not recommend that the Congress spend a single dollar more than our national security requires. Neither would I recommend spending a single dollar less than our security requires. I am convinced that we cannot disregard the policy of 'too little and too late.' The risks of such a policy are too great."

President Truman said that the cost of the entire mutual security programme he had recommended was less than two and a half per cent of America's national output. And America was raising its output by something like five per cent a year.

"We can afford this programme," the President asserted, adding that the mutual security programme "has already made solid achievements."

"We are not losing. We are winning our fight. We would be foolish from our own point of view and guilty in the eyes of history if we were to stop now," he continued.

The programme I recommended to the Congress today is a necessity if we are going to block the plans of the Soviet rulers to dominate the world. Make no mistake about it—this is the way we can strike the hardest blow against Russian Communism.

"That is why the action the Congress takes on my recommendations is going to mean so much to you and to me—to every American."—Ruter.

Collaco was allowed bail of \$3,000.

He was alleged to have corruptly received \$3,000 from Wong Yun-sang as a reward for forbearing to stop an erection of an illegal structure in Kowloon Tsai Village on February 28.

Summer Time On April 6

Summer Time will begin at 3.30 a.m. on Sunday, April 6, according to a Government Gazette announcement this morning.

The Colony will revert to Standard Time on Sunday, November 2.

TRUMAN SPEECH ON AIR TONIGHT

Tonight at 10 o'clock Radio Hongkong is broadcasting, by courtesy of Rediffusion, a half-hour Voice of America relay of President Truman's speech to the American people on the Foreign Aid Programme.

This comes instead of the advertised BBC programme "The Bowes Story."

Living Language

Why we say Flotsam and jetsam.

The distinction between Flotsam (i.e. that which is left to float) and jetsam (that which is thrown from the French *jet* to throw) is that the former is what is left floating on the waves after shipwreck, and the latter is the fittings or cargo thrown overboard to lighten a ship in a storm. Such goods belong to the Crown if they remain unclaimed within a year and a day from the time they are retrieved from the sea.

Tried To Pass Forged Bank Note

A forged Mercantile Bank of India banknote which had the figures "\$50" on its four corners and the words "Five Dollars" in the centre, was exhibited before Mr. Poen Yan-hol at Central this morning.

A 67-year-old paper dealer, Chu Chung, admitted possession of the forged note without lawful authority or excuse and uttering it on February 12. He was sent to prison for two months. He claimed the banknote through gambling.

Det.-Sub-Inspector R. A. Patterson told the Bench that defendant went to a shop in Kowloon and bought eight cutties of paper, which cost \$8. As the shop folk was about to give him his change, he noticed the discrepancy on the note, and promptly had the defendant arrested.

POSSESSION CHARGE

A 57-year-old unemployed, Lau Tung-sang, was remanded for three days by Mr. Poen Yan-hol at Central this morning on charges of possession of nine forged bank cheques of the First National Bank of America, each valued at US\$6,000, without lawful authority or excuse, and uttering the cheques between January 6 and 8.

Det.-Sub-Inspector T. Chalmers applied for the remand in Police custody for further inquiries.

CORRUPTION CHARGE

Philip Collaco, 37, an overseer of the Resettlement Department, Urban District Council, residing at 561, Sheung Yuen Ling Village, was charged with corruption before Mr. Oswald Cheung at Kowloon this morning and was remanded to 2.30 p.m. next Wednesday.

Collaco was allowed bail of \$3,000.

He was alleged to have corruptly received \$3,000 from Wong Yun-sang as a reward for forbearing to stop an erection of an illegal structure in Kowloon Tsai Village on February 28.

Mercantile Bank Dividend

The Hongkong branch of the Mercantile Bank of India, Ltd. today received telegraphic advice from the Head Office that the Board of Directors have recommended a final dividend of 6 per cent, less income tax, making 12 per cent in all for the year 1951.

His Excellency the Governor has appointed Mr. A. de O. Sales to be a member of the Committee on Higher Education, vice Mr. C. P. D'Almeida o' Castro, with effect from February 20.

The Hon. R. B. Black, OBE, Colonial Secretary, is granted today an official Justice of the Peace.

HIGHLIGHTS — 1952 SPRING
Also specially PAWA delivered direct from top houses in NEW YORK CITY & REAL DESIGNER'S COLLECTION of 1952 EASTER WEARS, AFTERNOON GOWNS, SUITDRESSES, LUXURY WOOL TOPPERS, RAINWEAR, DRESS SHOES AND PURSES, PRETTY WALKING PUMPS. In flexible French suedes, satiny calfskins, baby alligators and anakinskins—all with supreme matching handbags from New York's top makers such as "PITCHET, KORET, EVANS, ETC" exclusive at MODE ELITE ONLY. Choose your gifts — nothing obsolete nor duplicates nor fakes. CHOOSE ALL OF YOUR BETTER WARDROBE REQUIREMENTS AT MODE ELITE—you're getting a real square-deal in 100% genuine lastword imported originals and real low prices for volume purchases. See our Army for your next complete wardrobe requirements—you'll be 100% pleased with all of your purchases at—

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